

HOUSE OF REPRESENTATIVES

THURSDAY, April 18, 1929

The House met at 12 o'clock, noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God of love and God of wisdom, again the veil of the night is lifted and the light has broken everywhere; may our thought catch the sacred sweep of this truth and be linked with the Infinite and with the Eternal. We pray this day that Thy Holy Spirit may move and stir every impulse of high purpose. May He light the torch of spiritual knowledge that shall banish ignorance and bring us out into the fullness of the more abundant life. So elevate our lives that they may turn to the thought of influence and power that shall gladden, bless, and help. Enkindle in us a generous spirit, that shall be a divine presence, doing good everywhere, in the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

SWEARING IN OF MEMBERS

The SPEAKER. The Chair understands that there are some Members who desire to take the oath.

Mr. MEAD, of New York, and Mr. ALLGOOD, of Alabama, appeared before the bar of the House and took the oath of office prescribed by law.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

FARM RELIEF

Mr. SNELL. Mr. Speaker, under the unanimous-consent agreement entered into yesterday, I call up for immediate consideration the resolution adopted by the Rules Committee this morning for the consideration of H. R. 1, the farm relief bill.

The Clerk read the resolution, as follows:

House Resolution 21

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 1, entitled "A bill to establish a Federal farm board to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, and to place agriculture on a basis of economic equality with other industries." That general debate shall be confined to the bill and the time for general debate shall be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, and shall terminate when the Committee of the Whole arises on Saturday, April 20, 1929. After the conclusion of the general debate the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SNELL. Mr. Speaker, pending discussion of the resolution I ask unanimous consent that the debate on the resolution may proceed for one hour and a half, one-half of the time to be controlled by the gentleman from North Carolina [Mr. POWELL] and one-half by myself; that at the conclusion of the previous question may be considered as ordered on the resolution.

The SPEAKER. The gentleman from New York asks unanimous consent that debate on the resolution be limited to one hour and a half, one-half of that time to be controlled by himself and one-half by the gentleman from North Carolina [Mr. POWELL]; that at the conclusion of the debate the previous question shall be considered as ordered. Is there objection?

Mr. EDWARDS. Reserving the right to object, I did not catch the time limit of the debate on the bill.

Mr. SNELL. It is to be concluded Saturday afternoon, which I will explain. The rule provides that general debate shall run until the committee rises on Saturday afternoon; that the time shall be equally divided and controlled between the chairman of the committee, Mr. HAUGEN, and the ranking minority member, Mr. ASWELL, of Louisiana. I want to state further, and I would like to have the gentleman from Louisiana confirm me, that it is understood that the gentleman from Louisiana will yield two hours of his time to the gentleman from Texas [Mr. JONES], and that Mr. JONES can use and control and dispose of that time as he sees fit.

Mr. ASWELL. Mr. Speaker, I have talked to the gentleman from Texas [Mr. JONES] about it, and at that time he did not

know whether he would vote against the bill or not, but since that time he has made the statement that he will vote against it. He may have all the time he wants.

Mr. JONES of Texas. Mr. Speaker, I resent that statement; I made no such statement. I have made the statement all along that I would not support the bill as now written. I will say in that connection that the reason that I did not want the gentleman from Louisiana to control my time was because the gentleman from Louisiana was liable to make just such statements as he has now made.

Mr. ASWELL. Did not the gentleman say yesterday in my office that he did not know whether he would vote for the bill or not if it should not be amended?

Mr. JONES of Texas. I did not.

Mr. SNELL. Mr. Speaker, I did not yield for any debate.

Mr. CAREW. Mr. Speaker, I would like to ask the gentleman from New York what time the House is going to rise this afternoon?

Mr. SNELL. Before 4 o'clock. Mr. Speaker, I do not understand that there is any question about the adoption of the rule, and I yield 30 minutes to the gentleman from Illinois [Mr. WILLIAMS].

Mr. WILLIAMS of Illinois. Mr. Speaker, the prompt consideration of this measure, House bill No. 1, two days after the organization of the House, evinces the purpose of Congress to make good the pledges of both the Republican and the Democratic Parties in the 1928 campaign.

We all come here pledged to the support of whatever legislation is required to place agriculture on a plane of economic equality with other industries, so far as that result can be brought about by legislation.

The problem before us is economic, not political, and we should approach its consideration without thought of party or party advantage. Both parties are committed to an earnest effort to assist agriculture in the solution of its problems.

There was no politics or thought of partisan benefit on the part of the subcommittee of the Committee on Agriculture of the House that drafted this bill. The two minority members of the subcommittee, the gentleman from Louisiana, Mr. ASWELL, and the gentleman from Kentucky, Mr. KINCHELOE, attended every meeting of the subcommittee and had as much to do in the preparation of the bill as other members of the subcommittee. In fact, one or two of the important provisions of the bill were prepared by the gentleman from Kentucky, and incorporated at his suggestion. [Applause.]

It may be of interest to the House to know, also, that the bill presented here is the work of the House Committee on Agriculture, and for which that committee assumes full responsibility. It was not prepared on the outside and handed to the committee as have former bills. [Applause.] It represents the thought and judgment of the committee.

The President, as everyone knows, took the position that it was the constitutional duty of Congress to take the initiative in formulating legislation. The committee believed the President was entirely right, and made no complaint that the Department of Agriculture did not send up a prepared bill. Neither did the committee assume, as was asserted in some quarters, that the attitude of the President meant that he had no plan or definite ideas as to the legislation necessary to deal adequately with the problem we were considering. The committee felt complimented that he gave it the credit for having the capacity and the good sense to draw a proper bill. [Applause.]

There was no justification for the statement widely circulated, that because the President recognized the proper relationship between the executive and legislative branches of the Government, and insisted on Congress performing its constitutional functions in formulating legislation, he had no definite policies or opinions on the character of legislation desirable and necessary to redeem the pledges he and his party made during the campaign.

The committee never entertained any doubts about the President's views. The suggestions to Congress made by the President in his message was a restatement of what he had said on the farm problem before.

In his speech of acceptance President Hoover said:

The most urgent economic problem in our Nation to-day is agriculture. It must be solved if we are to bring prosperity and contentment to one-third of our people directly and to all of our people indirectly. We have pledged ourselves to find a solution * * *

The working out of agricultural relief constitutes the most important obligation of the next administration. I stand pledged to these proposals. The object of our policies is to establish for our farmers an income equal to those of other occupations; for the farmer's wife the same comforts in her home as women in other groups; for farm boys and girls the same opportunities in life as other boys and girls. So far as my abilities may be of service, I dedicate them to help secure

prosperity and contentment in that industry where I and my forefathers were born and nearly all my family still obtain their livelihood.

[Applause.]

Speaking at St. Louis near the close of the campaign, President Hoover discussed at length and in detail the problems of agriculture and stated in plain and unmistakable language the program and the legislation to which he and his party were committed.

He said, in speaking of this program:

Its object is to give equality of opportunity to the farmer. I would consider it the greatest honor I could have if it should become my privilege to aid in finally solving this the most difficult of economic problems presented to our people and the one which by inheritance and through long contact have my deepest interest.

He then proceeded to outline the program—

We propose to create a Federal farm board composed of men of understanding and sympathy for the problems of agriculture; we propose this board should have power to determine the facts, the causes, the remedies which should be applied to each and every one of the multitude of problems which we mass under the general term "the agricultural problem."

The program further provides that the board shall have a broad authority to act and be authorized to assist in the further development of cooperative marketing; that it shall assist in the development of clearing houses for agricultural products, in the development of adequate warehousing facilities, in the elimination of wastes in distribution, and in the solution of other problems as they arise. But in particular the board is to build up with initial advances of capital from the Government farmer-owned and farmer-controlled stabilization corporations which will protect the farmer from depressions and the demoralization of summer and periodic surpluses.

It is proposed that this board should have placed at its disposal such resources as are necessary to make its action effective.

Thus we give to the Federal farm board every arm with which to deal with the multitude of problems. This is an entirely different method of approach to solution from that of a general formula; it is flexible and adaptable. No such far-reaching and specific proposals have ever been made by a political party on behalf of any industry in our history. It is a direct business proposition. It marks our desire for establishment of farmers' stability and at the same time maintains his independence and individuality.

In discussing other phases of the agricultural problem during the campaign President Hoover said:

Adequate tariff is essential if we would assure relief to the farm. The first and most complete necessity is that the American farmer have the American market. That can be assured to him solely through the protective tariff.

We have pledged ourselves to make such revision in the tariff laws as may be necessary to provide real protection against the shiftings of economic tides in our various industries. I am sure the American people would rather intrust the perfection of the tariff to the consistent friend of the tariff than to our opponents, who have always reduced our tariffs, who voted against our present protection to the worker and the farmer, and whose whole economic theory over generations has been the destruction of the protective principle.

How in view of these unequivocal statements and commitments anyone could profess to be in doubt as to the exact nature of the legislation the President would desire to be enacted is hard to understand.

The Committee on Agriculture of the House entertained no doubts as to the views of the President, and believing his overwhelming election by the people was a mandate by them to the Congress to support him in writing his program of remedial farm legislation into law, that committee has prepared and submitted to the House for consideration House bill No. 1.

Agriculture has been in a bad way since the spring and summer of 1920. There may be room for an honest difference of opinion as to the underlying causes, but all are agreed this basic industry has, in the main, been unprosperous.

It is also agreed that the difficulties of agriculture do not constitute a single problem. There are many problems. Each commodity has its peculiar problem and quite often the same commodity presents a series of problems.

Consequently there is no single solution of what has come to be known as our agricultural problem. These problems necessarily must be attacked from different angles and require different treatment. No one bill or piece of legislation can deal adequately with the whole subject. It will require a series of bills, some of which will have to come from other committees of the House to deal effectively and comprehensively with all the ills of agriculture.

This bill undertakes to deal primarily with but one of these many problems. It is the most serious and important of them all—the merchandising of the products of the farm.

We have solved many of the problems of production and are solving others. The Government has spent millions of dollars through the Department of Agriculture teaching farmers how to produce. The money has been well spent, and this activity of the Government should be continued. However, efficient production alone can not make a prosperous agriculture. There must be effective merchandising of the product.

Under the present system of marketing farm products in the United States the farmer has, generally, absolutely nothing to say about the price he receives for what he has to sell. He has no bargaining power. The price he receives is fixed by others.

No other industry in the world is conducted on that basis. No other industry could survive whose products were marketed in the way the farmer is compelled to dispose of what he produces.

Unless this system can be changed and the farmer is put in the position where he has a bargaining power and has control over the marketing as well as the production of his commodity, agriculture as a profitable industry in the United States is doomed.

The farmer now gets about 30 cents out of the dollar paid by the consumer of his products. Some one else between the farmer and the consumer gets the other 70 cents.

There is something radically wrong with a system of marketing and distribution where a condition like that exists.

Some of our friends from the cities and industrial centers, especially in the East, have been fearful that the efforts the farmers have been making to secure remedial legislation that would enable them to obtain a more equitable price for their products would necessarily increase the cost of such products to the consumer and thus further enhance the high cost of living.

Nothing is further from the purpose of those who are urging equality for agriculture than to bring about a situation of that kind. Neither do they believe that would be the result.

The facts are, that under the present system farmers are receiving far less than they are entitled to receive for what they produce, and consumers are being held up and forced to pay exorbitant prices for what they buy.

Is there no cure for a situation of that kind? We believe there is a cure and, paradoxical as it may seem, we believe it is possible to establish a farm marketing program where the farmer can receive more and the consumer be charged less for the products of agriculture. [Applause.]

Ought a system of marketing be permitted to continue where people who want to eat apples are required to pay 5 and 10 cents each for apples when at the same time apples are rotting in the orchards near by because growers can not dispose of them at 50 cents a bushel? Where people living in the cities are compelled to pay from a dollar to a dollar and fifty cents for a watermelon for which the grower in Georgia or Alabama receives less than 5 cents? Where farmers deliver milk to dealers at 5 cents a quart, who charge their customers 15 cents a quart? Where people who eat bread pay exactly the same for a loaf whether wheat is selling for \$1 or for \$2 per bushel?

We believe there is a remedy for this unfortunate and distressing situation.

The way out of the difficulty is not by governmental price fixing. It is not by attempted paternalistic or bureaucratic control by the Government of agriculture. It is not by putting the Government in business. It is not by the compulsory levying of a fee or a tax against the farmer on his production. It is not by granting of subsidies, whether such subsidy is paid directly out of the Treasury, or is disguised in the form of a debenture bonus certificate issued on exports. [Applause.]

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of Illinois. Yes.

Mr. SNELL. Has the gentleman in his long study of this proposition given any consideration to the question of jurisdiction by his committee of the so-called debenture plan of which he has just spoken? Might it not present certain phases in legislation in connection with the tariff system of the country, with the raising of revenue, and might not a bill embodying such a plan have to be referred to some other committee than the Agricultural Committee of the House of Representatives?

Mr. WILLIAMS of Illinois. Mr. Speaker, I think a majority of the members of the Committee on Agriculture have believed that our committee might not have jurisdiction to report a bill embodying a debenture plan such as has been submitted to the committee. I know a couple of years ago my colleague from

Illinois, Mr. ADKINS, introduced a debenture bill. There was some discussion as to what committee should consider the bill. It was finally referred to the Committee on Agriculture, but with the understanding, as I understood, that if the Committee on Agriculture thought favorably of the plan, it would have to be submitted to the Committee on Ways and Means of the House. It is our opinion that the Ways and Means Committee of the House of Representatives is the only committee of the whole Congress that has original jurisdiction to initiate legislation of this kind.

Mr. ASWELL. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of Illinois. Yes.

Mr. ASWELL. Has the debenture proposition been before the committee for several years?

Mr. WILLIAMS of Illinois. It has.

Mr. ASWELL. Did not the Committee on Agriculture reject it by a majority of 19 to 2?

Mr. WILLIAMS of Illinois. The debenture plan has been before the Committee on Agriculture for from four to five years, and it has been considered by that committee, although at the times of its consideration those appearing before the committee have been told that we doubted our jurisdiction.

Mr. TILSON. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of Illinois. Yes.

Mr. TILSON. At any rate, whichever committee of the House of Representatives may have jurisdiction over the subject matter, the gentleman is perfectly clear, is he not, that the House of Representatives itself has sole jurisdiction to originate such legislation?

Mr. WILLIAMS of Illinois. Oh, that is my opinion. Further, although the debenture plan has been discussed before these committees, both of the great political parties who pledged themselves to farm relief in the recent campaign made no reference to it in their platforms. It was never mentioned in the campaign, and no representative leader of either the Democratic or the Republican Party ever suggested during the course of the campaign that it was a possible or even an alternative remedy that should be placed in the legislation we were committed to write. The only effect, so far as I can see, of its injection at this time is not to help secure adequate farm relief legislation but to muddy the waters. [Applause.]

The remedy—the way out of the difficulty—is in making it possible for the farmer to obtain control of his own business. To put him in a position where he will have bargaining power in disposing of the things he produces.

If the Government can assist the farmer so that he can attain that position, he will be able to take care of himself and the greatest and most difficult of all our farm problems will have been solved.

The President, in his message on Tuesday, said:

The most progressive movement in all agriculture has been the upbuilding of the farmer's own marketing organizations, which now embrace nearly 2,000,000 farmers in membership and annually distribute nearly \$2,500,000,000 worth of farm products. These organizations have acquired experience in virtually every branch of their industry and furnish a substantial basis upon which to build further organization.

This is the foundation on which we propose to build—farmer-owned and farmer-controlled cooperative marketing associations.

The President is quite right when he says this is "the most progressive movement in all agriculture."

Cooperative marketing of the products of the farm has been the dream of forward-looking farmers for more than 50 years. The movement has suffered many reverses and has recorded many failures. Many of the schemes of the pioneers in this movement were unsound and could not succeed. But the ideas behind the movement were sound, and out of the many failures and disappointments of the past there has gradually grown up an amazing factor in our farm marketing system, comprising some 12,000 different organizations that last year, as the President said, marketed \$2,500,000,000 of farm products.

These organizations have developed under great difficulties and with little or no assistance from either the Federal Government or the States.

Mr. CRISP. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of Illinois. Yes.

Mr. CRISP. The President in his message called attention to losses sustained by the farmers in the shipment of perishable produce and recommended that a system of licensing of brokers be required. Does this bill give authority to the board to require licenses to engage in that occupation?

Mr. WILLIAMS of Illinois. This bill does not, but we have pending before our committee a bill introduced by the gentleman from Washington, Mr. SUMMERS, which does provide for

that. This bill provides for the establishment of cooperative marketing associations and for clearing house associations, through which the orderly marketing of perishables may be conducted.

It is now proposed to set up a great governmental instrumentality clothed with the resources and the power to enable the farmers of America to perfect and extend this system to the end that agriculture may be placed on an equality with other industries in the distribution and marketing of its products. [Applause.]

The purpose and policy of Congress are declared in section 1 of the act:

That it is hereby declared to be the policy of Congress (1) to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, so that the industry of agriculture will be placed on a basis of economic equality with other industries, and (2) to that end to protect, control, and stabilize the current of interstate and foreign commerce in the marketing of agricultural commodities and their food products by minimizing speculation, preventing inefficient and wasteful methods of distribution, and limiting undue and excessive price fluctuations; by encouraging the organization of producers into cooperative associations and promoting the establishment and financing of a farm marketing system of producer-owned and producer-controlled cooperative associations and other agencies; and by aiding in preventing and controlling surpluses in any agricultural commodity through orderly production and distribution, so as to maintain advantageous domestic markets and prevent such surpluses from unduly depressing prices for the commodity. The Federal farm board shall execute the powers vested in it by this act only in such manner as will, in the judgment of the board, aid to the fullest practicable extent in carrying out the policy above declared.

A Federal farm board is created consisting of seven members, six of whom, including the chairman, are appointed by the President, the seventh being the Secretary of Agriculture.

The appointive members of the board are named by the President, subject to confirmation by the Senate. No limitations of any kind are imposed on the President in appointing members of the board.

The president of the board is appointed by the President to serve during the pleasure of the President, and to receive a salary fixed by the President.

We wanted to make it possible for the President of the United States, in selecting a chairman to direct the work of this board, to have the power to go out into the country and select the very best and biggest man obtainable to do this job, without regard to what it might cost to procure such services. [Applause.]

The other appointed members of the board, five in number, are to receive a salary of \$12,000 per annum and serve for a term of six years. The first appointed members of the board have the following tenure: The terms of two to expire in two years, the terms of two to expire in four years, and the term of one in six years. After the expiration of the terms of the first appointed members of the board, succeeding appointed members shall serve for six years.

The board is an independent bureau, but its principal offices are located in the Department of Agriculture.

The board is given broad general powers, so that it may have jurisdiction and authority to deal with the many and varied problems of agriculture that may come before it.

Among the broad general powers of the board that it may exercise on its own initiative are:

That the board is authorized and directed (1) to promote education in the principles and practices of cooperative marketing of agricultural commodities and food products thereof; (2) to encourage the organization, improvement in methods, and development of effective cooperative associations; (3) to keep advised from any available sources and make reports as to crop prices, experiences, prospects, supply, and demand at home and abroad; (4) to investigate conditions of overproduction of agricultural commodities and advise as to the prevention of such overproduction; and (5) to make investigations and reports and publish the same, including investigations and reports upon the following: Land utilization for agricultural purposes; reduction of the acreage of unprofitable marginal lands in cultivation; the economic need for reclamation and irrigation projects; methods of expanding markets at home and abroad for agricultural commodities and food products thereof; methods of developing by-products of and new uses for agricultural commodities; and transportation conditions and their effect upon the marketing of agricultural commodities.

The bill authorizes a revolving fund of \$500,000,000, which fund shall be administered by the board.

Out of this revolving fund the board is authorized to make loans to cooperative associations, as follows:

(1) To assist in the effective merchandising of agricultural commodities and the food products thereof.

(2) The construction or acquisition of, by purchase or lease, of storage or other physical marketing facilities for such commodity or products.

(3) The formation of clearing-house associations.

(4) Extending the membership of the cooperative marketing associations applying for the loan by educating the producers of the commodity handled by the association in the advantages of cooperative marketing of that commodity.

The board may also make loans to stabilization corporations set up by cooperative associations, to enable such corporation to purchase, store, or otherwise dispose of such commodity.

The board is limited in the making of loans out of the revolving fund to cooperative marketing organizations to be used by them for the specific purposes set out in the bill, and to stabilization corporations established by the cooperatives and approved by the board. All loans are made on terms and conditions, security, and rates of interest prescribed by the board.

No loans are authorized to stabilization corporations for either the leasing, the purchase, or construction of physical facilities. Loans for these purposes being limited to cooperative marketing associations only.

The board upon its organization is authorized to invite the cooperative marketing associations of the various commodities to appoint each an advisory commodity committee consisting of seven members, two of whom shall be experienced handlers or processors of the commodity, to represent such commodity cooperative associations before the board. This committee will be the contact agency between the farm board and the commodity cooperative associations. They are paid no fixed salary, but are allowed a per diem of \$20 per day and expenses for attending meetings and transacting other business authorized by the board.

The farm board is the only governmental agency created under this bill. All the other agencies, cooperative associations, clearing-house associations, stabilization corporations, and advisory commodity committees are all farmer owned and controlled organizations and agencies and are not in any sense agencies of the Government.

Another feature of the bill to which I wish to call the attention of the House is that in its dealings with the various farmer organizations recognized in the bill, and with each and all of them, the board acts only on their request and invitation. There is not one single compulsory power granted to the board in the entire bill which authorizes or warrants any action on its part in its relation to these organizations and agencies until request is made to the board to act.

The board does not engage in business in any manner, does not buy and sell, and is not vested with any power to fix or to undertake to fix prices. It is given no bureaucratic powers and in no way dominates or interferes with farmers, individually or with their organizations, and imposes its will only as assistance is sought and given under the terms of the bill.

The board is vested with the broadest powers possible to assist organized cooperative commodity marketing associations who desire to avail themselves of the assistance authorized in the bill, but imposes nothing, not even the benefits of the bill upon them unless they, of their own free choice, request it.

We want to help the farmer attain economic equality with others, but we want him to remain free. We want him to retain his individuality and to assist him to obtain and to retain complete control of his own business. That can only be done when he is able to sit down at the table either as an individual or through his organization and bargain with the purchaser of his products the price he is to receive.

Mr. Speaker, in the language of the report of the committee:

We believe that this program avoids the difficulties on which past legislation has been wrecked. It is so clearly constitutional that we feel it unnecessary to attach a brief to that effect. It offers no subsidy, direct or indirect; the Government is not placed in business; there is no hint of price fixing or arbitrary price elevation; it requires no elaborate machinery and creates no powerful bureaucracy; it imposes no tax upon the farmer; it contains no economic unsoundness.

It does propose to furnish temporarily the capital upon which agriculture can organize to own and control its own business. It embraces all agriculture without assuming control over the farmer. It offers the maximum help the Government can give. It contemplates the stabilization of prices. It requires the initiation of all action by the farmers through their own organizations and gives the board only advisory power except at their request. It is in accordance with sound economic law. It is the best program that has yet been offered for the relief of agriculture, not only from temporary emergency but from the threat of future disaster. It is—and should be—more than any government has ever offered in behalf of any industry.

Wisely administered, it should assure to agriculture complete economic equality with other industry, and preserve its economic independence.

[Applause.]

I yield back the remainder of my time.

Mr. SNELL rose.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. SNELL. I yield.

Mr. CANNON. Following the speech of the gentleman from Illinois [Mr. WILLIAMS], under the practice of the House, it would now be in order to recognize one opposed to this resolution. Of course, the rules of the House are abrogated under the unanimous-consent agreement, but, in view of the gentleman's interest in the established customs of the House, I wonder if he would be willing to recognize me in opposition to the rule?

Mr. SNELL. The gentleman from North Carolina [Mr. POU] has 45 minutes.

Mr. CANNON. The gentleman concedes that some one who is opposed to this resolution ought to be recognized now?

Mr. SNELL. I do not concede that that is any sufficient reason for my yielding time to the gentleman.

Mr. CANNON. That has been the practice from time immemorial. Following a speech in favor of a proposition it is always in order to recognize a Member in opposition. Will the gentleman from North Carolina yield me five minutes?

Mr. POU. I yield to the gentleman five minutes.

Mr. CANNON. Mr. Speaker, the subject now under discussion by the House is a resolution providing for the consideration of the farm relief bill. The gentleman who just addressed the House did not discuss it and made no reference to its provisions. No doubt he proceeded on the theory that the less said about it the better, for this is one of the most remarkable rules ever offered in this House. It is not only in violation of the general custom and practice of the House, but it is specifically and fundamentally unfair. Incidentally, the committee delayed action on the resolution until the last minute. The rule was reported out of committee just three minutes before the House met to consider it. No printed copies are available; no one has seen it; and there has been no opportunity to study it. The committee has known for weeks that this bill was coming up to-day and could have met and formulated this rule at any time, but they delay it to the last minute, barely affording the Chaplain time for prayer before it is presented to the House.

The provision for the control of time for debate is a most extraordinary departure from the rules and practice of the House. It has been the invariable custom to divide control of time for debate between those favoring and those opposing a bill. Here we are putting control of the entire time in the hands of men favoring the bill. Those opposing the bill or desiring to modify the bill must secure time, if at all, from their opponents.

Mr. SNELL. I will say to the gentleman that the only one who desired time in opposition to the bill was the gentleman from Texas [Mr. JONES], a member of the committee, and I asked him how much time he wanted and he said two hours. How much time does the gentleman from Missouri desire? Has the gentleman asked for any time?

Mr. CANNON. That is not the question. The question is, Do those drawing the resolution and those in charge of this bill propose to abide by the rules of the House. I have served on this floor nearly 20 years and in all that time I have never known a rule providing for the consideration of major legislation to refuse a fair and equal division of the control of the time for debate. In that respect, at least, this resolution breaks all precedents. What extraordinary condition makes it necessary to suspend the rights of the opposition on this particular bill?

Again, this resolution is so drawn as to preclude the offering or consideration of amendments which have been in order on every farm relief bill brought into the House in the last three Congresses.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I regret that I can not yield.

It is evident that this rule is but a part of a carefully prepared plan to jam this bill through the House in the form in which it came from the committee without opportunity for amendment or revision in any way whatever.

For the last eight years the farm relief bill has been built around the debenture plan, the equalization fee, or similar methods of surplus control. The adoption or rejection of these provisions have constituted, always, the principal issue before the House. The equalization fee, for example, has been de-

bated and voted on and approved in each of the last two Congresses by overwhelming majorities in both the House and the Senate. It has won each time by a heavier majority. And yet the bill and this resolution are presented here in such form as to prevent a vote on it. If every Member of the House favored the equalization fee it could not be considered or voted on under this rule.

Why are they afraid to give the House an opportunity to vote on it? Why are they afraid to have the people whom they represent know how they stand on the question?

Let us compare this rule with the rule under which we considered the last farm relief bill. Here it is. It provided:

The time to be equally divided and controlled by those favoring and opposing the bill.

Why were not they fair enough to divide the control of the time equally on this bill?

And then it provided:

It shall be in order to consider, without the intervention of the point of order, as provided in clause 7 of Rule XVI, certain amendments to the bill.

Why was not such a provision included in this rule in order to permit a vote on the debenture plan and the equalization fee?

They do not give the House a chance to express its wishes or record its vote on these vital propositions. The Senate will vote on them, but the House is gagged and tied hand and foot, and this bill is to be forced through as it came from the hands of the original amanuensis.

Now, the gentleman who preceded me made some reference to partisanship. I am absolved of any such charge. For six years I have worked and voted with my Republican brethren on this question. No one has followed more implicitly or more loyally the leadership of the gentleman from Iowa [Mr. HAUGEN] in his splendid fight for farm relief and agricultural equality all these years.

And no one has been more anxious than I to go along with Mr. Hoover. It is immaterial who helps the farmer or what method is used to help him just so long as he is helped. And ever since Mr. Hoover's election I have earnestly hoped to fall in line with any feasible plan he had to offer. All during the campaign we were assured that he had a miracle-working plan superior to the McNary-Haugen plan—a plan which would solve the farm problem more effectively and more fully than any formula heretofore proposed. We thought he would outline it in his last campaign speeches, but he did not mention it. We expected him to explain it in his inaugural address, but again he passed it by. We felt certain he would give it in detail in his message to Congress, but again we were doomed to disappointment.

And here at last is this long-expected panacea for the farmer's ills. There is not a new thought or a new idea in it. It is made up of old material that has been rehearsed time and time again, both in the committee and on the floor. Why we could have had such a bill as this long ago. President Coolidge would have been glad to have signed this bill two years ago. He would have signed it in the short session that closed last spring, and had we known that this is all we are to have we might as well have passed it and sent it up to him. There is not a paragraph in the entire bill that he would not have approved at any time.

The SPEAKER pro tempore (Mr. TREADWAY). The time of the gentleman from Missouri has expired.

Mr. CANNON. May I have five minutes more?

Mr. POUL. I yield to the gentleman five minutes more.

The SPEAKER pro tempore. The gentleman from Missouri is recognized for five minutes more.

Mr. CANNON. This bill is the greatest gold brick ever handed to the American farmer by any Congress—and that is putting it pretty strong. It fails by every major test. It does not make the tariff effective. It does not control the surplus. And it contains no provision against overproduction. Both parties pledged themselves in the last campaign to take the farmer into the protective system; to give him the benefit of present tariffs and if necessary increase them. Mr. Hoover himself said:

The first and most complete necessity is that the American farmer have the American market. That can be assured to him solely through the protective tariff.

And in the message which he transmitted to Congress last Tuesday on the subject he again stressed the importance of—a protective tariff upon agricultural products which will compensate the farmer's higher costs and higher standard of living.

This program of farm relief through farm tariffs if it is ever to be carried out must be carried out through this bill. And yet there is not a line or a word in this bill to redeem the pledge of the President and the Republican and Democratic Parties in the last election that the farmer will be given the benefit of the tariff.

Everybody knows the tariff is not effective on farm products of which we produce an exportable surplus. It is only necessary to consult the market reports of any daily paper to see that wheat and other surplus farm products are selling just as high in Canada, where they have no tariff, or in any other world market as in the United States where the farmer is duped into believing that he has a tariff of 42 cents per bushel. And the same criterion may be applied to any other surplus farm product. Even the United States Department of Agriculture concedes that the tariff is ineffective. The Bureau of Agricultural Economics announced on January 23 of this year that the price of corn in the United States was materially enhanced by the reports of the shortage of the corn crop of the Argentine Republic in South America.

The farmer has been paying the tariff. He has been contributing to the prosperity of the rest of the country by paying a heavy tariff on practically everything he buys. But he has not been getting the tariff. He has been buying in a protected American market and paying higher prices than are paid in any other country in the world. But he has been selling his own products in the unprotected world market in competition with the cheapest land and the cheapest labor that can be found from Asia to South America.

That is the farm problem. And that problem is not so much as mentioned in this bill. The board provided for in this bill is as impotent as an army without guns. It has no power and no money with which to make the tariff effective. There is no provision in this bill under which they could raise the price of either wheat or cotton.

And even if they were able to raise the price there is no authority to guard against overproduction. Overproduction must inevitably follow advancing prices of either. If prices were raised the land would be flooded with wheat and smothered with cotton, and this bill makes no attempt to meet such a contingency. But \$500,000,000 is to be taken out of the Treasury to finance favored cooperatives. We heard much in the last Congress about the McNary-Haugen bill being uneconomic and unconstitutional. What could be more uneconomic or more unconstitutional than reaching into the Treasury of the United States and taking out \$500,000,000 of the people's money, contributed by every taxpayer, and using it for the individual benefit of any one class or industry?

Gentlemen, the friends of farm relief are ready to cooperate in the enactment of any measure which will carry out our pledges to the farmer to place agriculture on a plane of equality with other industries. But this bill will not do it and this rule will not permit us to amend the bill by adding provisions which will do it. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Missouri has again expired.

Mr. POUL. Mr. Speaker, I yield 20 minutes to the gentleman from Louisiana [Mr. ASWELL]. [Applause.]

Mr. ASWELL. Mr. Speaker, I wish to say in the beginning that the rule and the bill provide for an amendment such as the gentleman has discussed. The bill is wide open and there will be no difficulty about that at all.

This bill has been as carefully studied and written as any measure with which I have ever been connected. The platform of each party was considered and extensive hearings were held. In fact, everybody who wanted to appear was heard. We had the best hearings I think we have ever had on this subject. A subcommittee was appointed to write the bill. The administration was consulted after the bill was written, and then the general committee proceeded to rewrite, polish, and work out a bill that is as nearly perfect as it is possible for a body of gentlemen to write.

Unlike the Committee on Ways and Means, the Republicans of the Committee on Agriculture took the minority members of that committee into full fellowship and treated them as white people. [Applause.] Everybody had an opportunity to give what he had to this discussion.

The time for theoretical discussion has passed. The occasion has arisen for constructive action. Futile discussions of measures that can not be enacted into law will find no appeal to the Congress or to the country. Legislation for agriculture has been delayed already too long. Further delay would be indefensible.

Farm legislation is an economic, not a political, question. There is no proper place in it for sectional jealousies or political

rivalry. The political farm leader here is a useless appendage, an ineffective agitator. He does not long survive. You have seen his wrecked remains.

I have constantly and consistently refused to join any group that would undertake to make farm relief a political question. It is not a partisan issue. I believe steadfastly in the principles of my party, and would do any honorable thing for its success, but I will not play politics with the lifeblood of the American farmer. [Applause.]

Farm legislation was drawn into the recent national campaign. President Hoover was commissioned by the American people to take the leadership on this question. I readily accept the verdict. He made clear his position on the equalization fee. The American people supported him and repudiated the plan with all its fly-by-night phantasms. He declared for sound and constructive legislation for the effective merchandising of agricultural commodities. This is his plan. He presented it in his message to the Congress. I, for one, shall help him put his ideas into law. [Applause.]

It has been my purpose in the subcommittee and in the Committee on Agriculture in writing this bill to interpret President Hoover's announced policies and purposes to place the industry of agriculture on a basis of economic equality with other industries. I personally know this bill has his approval. He and his party have control and will be responsible to agriculture and to the country.

I do not predict or prophesy what this measure will do for agriculture. In all the claims for the various farm relief measures that have been presented to the Congress no man could accurately foresee or predict what effect any plan would have upon the basic industry. This measure marks an uncharted course. Farm legislation is an experiment; but I believe this to be a sane, sound, and constructive measure. With the proper board it will promote cooperative marketing and stabilize and help agriculture. The test will be found not in what is said about it here but in the prices the farmers receive for their products. [Applause.] No theoretical panacea, however much agitated or widely advertised, will satisfy the farmer unless he receives in his own pocket a higher price for his commodity. Failing in this, no agricultural measure will be considered by him successful.

This bill creates a Federal farm board consisting of six members, with the Secretary of Agriculture ex officio. The board is the heart, the soul, the life of the measure. The character, the integrity, and the vision of these six men will definitely determine the success or failure of this plan.

Everything else is subordinated to the large latitude properly given to this board, which is to be held responsible for the success of the plan to stabilize, to protect, to uplift, and to put agriculture on the same basis as other industries.

This is the purpose of the bill, and I shall not repeat what the gentleman from Illinois, [Mr. WILLIAMS] has said; but let me appeal to my Democratic colleagues on this side that this measure pass without amendment.

I do not expect myself to help put in any amendment, because I want to hold the Republicans responsible for this measure, because I think it is a good bill and I want you to have the responsibility and you will have my support in the largest latitude. [Applause.] This is an honest, square statement.

I hope this measure will pass this Chamber unanimously and I hope and pray and believe that it will stand up before the conferees and become the law of the land. [Applause.]

The conferees on this side of the Capitol have already put in their orders for very lightweight summer suits, and we will sit in conference the summer through, if necessary, to make this bill the law. [Applause.]

The board is given very great general powers and the fullest latitude to promote the effective merchandising of agricultural commodities; to protect, control, and stabilize the marketing of agricultural commodities; to minimize speculation; to prevent inefficient and wasteful methods of distribution; to limit excessive price fluctuations; to establish and promote a farm marketing system of producer-owned and producer-controlled cooperative associations; to aid in preventing and controlling surpluses and to establish orderly production and distribution of farm commodities. The President and the board will be held responsible to the country for results.

This board, you will note, is to be appointed by the President without restrictions or limitations on his authority. The President is given unusual authority and the whole plan is placed properly in the President's hands. The success of this plan will depend primarily upon the President of the United States. Under this bill it is his job. He is to be held directly responsible for the board and the success of the plan.

We know of 40 ills that have befallen agriculture, but there are at least 400 other ills that we have not yet faced. This board is given the authority and is charged with the responsibility of meeting and handling the new ills that may arise. No set rules for the board can be adopted in advance, as conditions in agriculture change with the months and the years.

The board shall invite the cooperative associations handling any agricultural commodity to establish an advisory commodity committee, to consist of seven members, to represent such associations before the board in matters relating to the agricultural commodity. The board can not take any action in operating in any commodity unless the advisory commodity committee of that commodity makes a request of the board for such operation. The producers of any agricultural commodity who may not desire to come under the provisions of this legislation will be free to proceed without reference to this act, as the board must wait for a request before it can operate.

This board is to be charged with duties and responsibilities in the interest of agriculture of the highest order. The board is directed to promote education in the principles and practices of cooperative marketing; to encourage the organization and development of cooperative marketing associations; to keep advised as to crop prices, prospects, supply and demand at home and abroad; to investigate and advise on conditions of overproduction; to study the use of unprofitable marginal lands in cultivation; to study methods of expanding our markets at home and abroad; to find new uses for agricultural commodities; and to recommend improvements in transportation of agricultural commodities. You will note that these functions of the board are most vital and may result in the reorganization and reestablishment of the whole system of agriculture. Through his long and extensive experience in these lines of endeavor President Hoover has become an expert and will be a mighty guiding hand in cooperation with the board he selects.

The bill creates a revolving fund of \$500,000,000. The board is given the widest latitude in making loans from this revolving fund to cooperative associations for merchandising agricultural products; for the construction or acquisition or lease of storage facilities; for the formation of clearing-house associations; and for the education of producers in marketing. The loans shall bear interest at the rate of 4 per cent per annum, and the board is charged with the responsibility of deciding upon the safety of the security offered by the borrower.

The board is authorized to enter into agreements with cooperative associations for insurance against loss through price decline in any agricultural commodity handled by the association and produced by the members thereof. The board is also given the widest discretion in reaching these agreements.

The bill also provides that the board, upon the application of an advisory commodity committee, may recognize and make loans to a stabilization corporation for any commodity, provided the corporation is duly organized under the laws of any State, is managed in a manner satisfactory to the board, and acts as a marketing agency for its members.

The stabilization corporation is specifically charged with the responsibility of exerting every reasonable effort to avoid losses and to secure profits, but it shall not withhold any commodity from the domestic market if the prices thereof have become unduly enhanced, resulting in distress to domestic consumers. This is the first proposal in any farm bill really to stabilize fairly the prices of agricultural commodities and at the same time to protect the consuming public. This provision is eminently fair and just. It should receive the active approval of all Americans. The farmer demands nothing more than to be placed on a basis of economic equality with the other industries; he does not seek any advantage. The above provision proposes exact justice to all. [Applause.]

I appeal to my Democratic colleagues to support this measure without amendment. It is the best we can get for agriculture. We should not hinder its speedy passage. I greatly hope this measure may pass this House by a unanimous vote and that it may stand up before the conferees and become the law of the land. [Applause.]

Mr. POU. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. JONES].

Mr. JONES of Texas. Mr. Speaker and gentlemen of the House, I want to again make clear my position on this bill.

I regret exceedingly that I can not support the bill in its present form. I am not going to throw any blocks in the way of its passage. I assume the House will pass it, although I do not believe it anything like approaches a solution of the farm problem.

If amended, as I have stated frequently, to include the debenture plan or some other plan to provide equality for agriculture, I should be happy to support it.

I also want to make clear the reference to division of the time. I went before the Rules Committee this morning and asked that definite time be allotted to those opposing the bill. I was asked if two hours would be all I would need, and I said that that would be more than I would need personally, but I would like to know that those who might oppose the bill during the debate would have proper opportunity to be heard. I think this is but fair.

Of course, the Committee on Rules has the right to present a special rule which suspends all other rules. The general rules of the House, based on 100 years' legislative experience, provide that the time shall be controlled equally by those favoring and those opposing a measure. Of course, the Rules Committee may report a rule taking all that away from the committee. "It is excellent to have a giant's strength, but it is tyrannous to use it like a giant."

If we are to have debate, I think there ought to be sufficient time for those who are opposed to the measure.

In view of this situation, I want to ask if it is the intention of the Rules Committee to limit those opposing the bill to the two hours, or will they be allowed to be heard independent of that. I have had requests already for time.

Mr. SNELL. Will the gentleman yield for a question?

Mr. JONES of Texas. Yes. I do not yield for an explanation, however, as I only have five minutes.

Mr. SNELL. How much time does the gentleman or any other Member opposing this bill want?

Mr. JONES of Texas. As I have said, I have been given as much time as I want myself. I do not know about the others.

Mr. SNELL. We will give every Member opposed to this bill all the time he wants, and that ought to be satisfactory.

Mr. JONES of Texas. That is satisfactory to me. I simply wanted to be sure that those opposing this measure should have all the time they want up to their proper portion of the time.

Mr. SNELL. The gentleman has been given all the time he has asked for and we have given everybody else all the time that they have asked for and that ought to be satisfactory. Thus far we have not denied a single request made by any member of the Agricultural Committee in connection with this rule. We aim to please.

Mr. JONES of Texas. It is satisfactory to me, but I was simply asking if you meant to limit those opposing the bill to the time allotted to me.

Mr. SNELL. I have said no every time the gentleman has asked me and he ought to understand it by this time. I told the gentleman that this morning in the Rules Committee.

Mr. JONES of Texas. I did not so understand the gentleman. I want to say this, and I have a right to say it in this connection—when the rule was presented by the chairman on the floor to-day he made the statement that this time would be yielded to me to use as I saw fit.

Mr. SNELL. The gentleman has received all the time that he asked for; what is he complaining about?

Mr. JONES of Texas. I am not complaining about it. It took me a long time to get the gentleman to the point.

Mr. SNELL. It did not take one minute, and the gentleman knows it. We have been perfectly willing from the first to give him or any other man opposing this bill all the time he needs to explain his position.

Mr. JONES of Texas. I want to say in this connection that I made some inquiry the other day as to time. I was told that time would be controlled by the ranking minority member and the chairman, and that they would yield to other people. I think those in opposition should have time in their own right. Ordinarily one-half the time is controlled by the ranking man who opposes the bill, but I do not insist upon that disposition. I appreciate the fact that the Rules Committee have given me this time and I want to thank them.

The two gentleman who have spoken have taken a "shot" at the debenture plan. I do not know why, but in their desperation they grasp at straws. They say that the bill must originate in the House.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. POU. I yield to the gentleman three minutes more.

Mr. JONES of Texas. Here is section 7 of Article I of the Constitution of the United States:

All bills for raising revenue shall originate in the House of Representatives.

The gentleman from Illinois in his statement—and it was a prepared statement, carefully worded—made the assertion that the debenture plan is a subsidy out of the Treasury. Then he turns around in another place and says that it comes under the inhibition of the Constitution. If it is a subsidy out of the

Treasury, how can it be a bill for raising revenue? It is not a bill for raising revenue. It does not raise revenue in any sense and it may originate in either body.

I am not going to engage in any partisan wrangle. I simply ask the House to give careful consideration to what the result of the proposed measure will be. If you think the hope of agriculture will be furthered by the passage of the bill, well and good. I shall not try to get anyone to vote against it.

I fear the passage of this measure will prevent the enactment of effective legislation, for it will only be fair to give a reasonable time for it to be tried out. [Applause.]

Mr. POU. Mr. Speaker, the discussion has gone on for something over an hour, largely upon the merits of the bill. It seems that it would not be out of place to say something about the resolution upon which the House will speedily vote.

I say now that in reporting this rule the chairman of the Committee on Rules and the majority and minority members of that committee have tried to be perfectly fair to all sides. It is a fair rule. It throws the bill wide open to amendment. Any amendment that will be germane under the general rules of the House can be offered. Nothing can be fairer than that. The time for general debate extends over three days. I am informed by the gentleman from Louisiana [Mr. ASWELL], the ranking minority member of the Committee on Agriculture, that so far he has been able to accede to every request for time that has been made; he has been able to take care of everybody—proponents and opponents.

So it would seem that there is hardly any room for criticism of the rule. After the promises made during the campaign that the Hoover measure for farm relief would be something different, which would certainly inject new life in the agriculture of the Nation, I confess disappointment when I am told that the bill we are about to consider is the plan of the administration to restore economic equality to agriculture, and I wonder if the zealous supporters of the McNary-Haugen bill, who conferred with the President during the campaign and came away so perfectly satisfied, understood then that this bill was all the farmers of the Nation could hope for.

The bill is a step in the right direction, and that is about all which in fairness can be said for it. Everybody knows it will pass this House by a vote well-nigh unanimous.

Now, as to the resolution we are considering. It is a fair rule. Ample time is given for general debate. There is no provision which cuts off any germane amendment. There will be reasonable time for those who favor the bill, as well as those who oppose it, to discuss its provisions. I can not see that there is any ground for criticism of the rule. [Applause.]

Mr. DENISON. Will the gentleman yield?

Mr. POU. I will.

Mr. DENISON. The gentleman from North Carolina is a good parliamentarian; does he think it would be germane to the bill to offer the debenture plan?

Mr. POU. My guess, offhand, is that it would not be germane. I would not undertake to say positively without examining the precedents, but I hazard that guess anyway.

Mr. JONES of Texas. Mr. Speaker, will the gentleman yield?

Mr. POU. Yes.

Mr. JONES of Texas. In view of the statement the gentleman has made, which I think is a fair one, since the assurance that the time would not be limited in respect to those opposed to the measure, I have no objection to the rule. I would like to see a consideration of farm legislation.

Mr. POU. Mr. Speaker, I yield back the remainder of my time.

Mr. SNELL. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. PURNELL].

Mr. PURNELL. Mr. Speaker, ladies and gentlemen of the House, I shall make only a few observations before the adoption of the rule, and shall hope to have something to say later on as to the specific details of the bill. I think it is perfectly proper to repeat, as we bring this bill before the House, what I have said on similar occasions many times before, that the Congress of the United States is now dealing with the most important question that any Congress or any committee of any Congress has ever undertaken to solve since the beginning of the Government. That statement still stands.

Ever since the war, and particularly for the past eight years, our Committee on Agriculture has conducted extended hearings upon this question. Individual Members of the House who are not members of the committee have been giving the subject exhaustive study. We have never all agreed as to the remedy to be applied, although we have been in general agreement as to the causes and conditions. The evolution of farm relief by congressional action will be recorded as one of the most interesting chapters in all our legislative history.

I recall with much interest our first attempt to write a farm relief bill. It provided for the issuance of script and its provisions as well as the provisions of some of our subsequent bills were, to say the least, loose and awkward attempts to translate into legislation that which we sought to accomplish. Many of you I have no doubt have forgotten the old script which we sought to authorize the issuance of in our first bill. The bill provided for the issuance of script, and for its distribution through the Post Office Department. It might have been necessary had it ever become a law for a farmer to paste a stamp on an old sow's ear before he could sell it to a neighbor across the road.

We have gotten away from all that. This is the last word, in my judgment, in the evolution of farm relief bills. Let me give you briefly a hint at the background which is largely responsible for the present bill. The Department of Agriculture was organized in 1862. It was made an executive department in 1889. In 1862 it had a personnel of 3. In 1863 it had a personnel of 29. In 1889 it had a personnel of 488 and in 1928 it had a personnel of 22,000, of whom 17,000 are in the field. The appropriation for the Department of Agriculture in 1862 was \$64,000. In 1839, \$1,000 was appropriated for the Patent Office for collecting and distributing seeds. That was the first agricultural appropriation. In 1889 we appropriated \$1,134,000 and in 1928 we appropriated \$154,402,947 for the Department of Agriculture. In 1862 no bureaus had been organized, and there are now 11 bureaus and 9 independent branches in the department. The activities of the Department of Agriculture now extend to every nook and corner of the United States and its possessions. Throughout all these years, however, the department has almost entirely devoted its activities to teaching the farmer how to raise more and better products. Not until recent years has serious consideration been given to the question of profitably marketing that which the department helped and encouraged the farmer to produce. In a sense this may be regarded as one of the mistakes our Government has made in dealing with the agricultural problems. It is obvious that we opened our public lands to settlement faster than they could profitably be utilized. It is also obvious that we have authorized many reclamation and irrigation projects which have subjected our farmers to competition from which they should have been protected. We have looked on while our forests which should have been preserved have been converted into farm lands. In addition, our farmers were not only encouraged but expected to increase production during the World War, and a failure to do so would have been regarded as a lack of patriotism.

On top of all that, we have expected too much of the individual producer. Each individual farmer is expected to know all there is about soil fertility and methods of correcting it. He is expected to know how to plant, what to plant, and when to plant. He is expected to be a mechanic in order that he may keep his equipment in proper condition. He must know all about the breeding of animals as well as how to treat their diseases. He must be an accountant as well as a banker in order that he may give proper attention to his business. He must know when to sell as well as how to market, and must be prepared to match his wits against a highly organized and well-trained group of distributors who sit up nights working out new methods of securing the farmer's product for the low dollar.

One lone producer can not be expected to stand up against the present system. For that reason we are planning to do for the farmer in this bill that which the Government has never heretofore done for industry or any other group. We propose to supply the agricultural industry with the money necessary to market its product; and since we want the farmers of America to continue to own and run their own business, we propose to make it possible for them, through their cooperative associations, to form a contact with the Federal farm board which shall have for its purpose the granting of assistance to farmer-owned and farmer-controlled associations in the marketing of agricultural products, just as we have established the Federal reserve system, the Interstate Commerce Commission, and the Federal Trade Commission for other groups.

The creation of this board and the passage of this bill will not alone solve the problem. There are other legislative matters which may be properly classed a part of a general farm program. These our committee intends to take up immediately after action upon this bill by the House. Then, of course, the tariff law needs revision. I do not favor a general revision upward. If we grant the necessary increases to agriculture and corresponding increases to other industries, the very purpose for which this special session was called will be defeated and we shall leave agriculture out of line just as it is to-day.

Agriculture is passing through a period of evolution very similar to that through which the manufacturing industry passed, which may in the end require it to follow the examples which have been set by industry. It may mean larger farm units. Chain stores to-day sell 25 per cent of the groceries in America. Large corporations operate 98 per cent of our transportation; large corporations and mergers make 90 per cent of our manufactured goods; and huge mining syndicates control 90 per cent of our mineral output. These figures clearly show the trend of modern business toward large-scale operations. When these operations are contrasted with the small-scale operations of the modern farmer, the reason for his present condition is better understood.

The bill now presented for your consideration, in my judgment, meets the situation at hand. More than that, it carries out the pledges of the platform upon which the majority party was elected. It likewise squares with the campaign utterances of the President as well as his recent message. In my judgment the best speech that will be made for this bill will be found to be the President's message. [Applause.]

The SPEAKER. The time of the gentleman from Indiana has expired. All time has expired. Under the unanimous-consent agreement the previous question is ordered. The question is on agreeing to the resolution.

The resolution was agreed to.

GENERAL LEAVE TO PRINT

Mr. TILSON. Mr. Speaker, I think it will save time and be for the convenience of the entire membership of the House if I request at this time that Members have the right to extend their remarks in the RECORD. Therefore I now make the request that during the consideration of this bill and for five legislative days after its passage all Members of the House may have leave to extend in the RECORD their own remarks on H. R. 1.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that all Members may have the privilege of extending their own remarks in the RECORD on the bill for five legislative days after the passage of the bill H. R. 1. Is there objection?

There was no objection.

MESSAGE FROM THE PRESIDENT (H. DOC. NO. 6)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Agriculture and ordered to be printed:

To the Congress of the United States:

Pursuant to the authorization granted by Public Resolution No. 10, Seventieth Congress, approved February 25, 1928, my distinguished predecessor accepted the invitation of the British Government to appoint delegates on the part of the United States to the Eighth International Dairy Congress, held in Great Britain during June and July, 1928.

These delegates have now rendered a report of that congress in accordance with section 3 of the above-mentioned public resolution, and I therefore transmit herewith the original of that report.

HERBERT HOOVER.

THE WHITE HOUSE, April 18, 1929.

FARM RELIEF

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 1) to establish a Federal farm board to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, and to place agriculture on a basis of economic equality with other industries.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 1, with Mr. MAPES in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 1) to establish a Federal farm board to promote the effective merchandising of agricultural commodities in interstate and foreign commerce and to place agriculture on a basis of economic equality with other industries.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

The CHAIRMAN. It is so ordered. Under the rule the gentleman from Iowa has control of one half of the time, and the gentleman from Louisiana [Mr. ASWELL] has control of the other half. The Chair recognizes the gentleman from Iowa for one hour.

Mr. HAUGEN. Mr. Chairman, I shall be very brief. The bill has already been discussed in detail. It is also set out in detail in the report. Opportunity will be given to discuss it more in detail under the 5-minute rule, and in order to economize time I shall avail myself under privilege to extend and revise my remarks by appending thereto a brief analysis of the bill.

In discussing farm-relief legislation I assume that all appreciate and acknowledge the important place our basic industry—agriculture—holds in the economic life of the Nation and the urgent need for real farm-relief legislation.

I assume that party platform pledges, backed up by the promises of the candidates of their respective parties, should not be considered as mere gestures, or, as stated, "all political platforms are 90 per cent buncombe," which statement, to me, is a sad reflection, not only upon the platform builders but on our party organizations and our entire political system. Personally, I can not subscribe to that sentiment. I prefer to believe that they were made in good faith and are entitled to consideration, and that it shall be the aim of Congress, so far as it lies in its power, to redeem those, which I deem to be, solemn pledges.

The proposed bill is the product not of one, but of all members of the House Committee on Agriculture. It is the conclusion reached after extensive hearings and extended deliberations, based on the testimony of the legislative representatives of the various farm groups and labor and witnesses at the hearings, covering 4,495 pages of printed testimony, and voluminous correspondence, petitions, resolutions, memorials, from thousands of farmers, bankers, merchants, and men and women in every walk of life, from all sections of the country.

In view of the difference of opinion in respect to the numerous plans suggested, among them the much-discussed and twice-passed equalization plan, the debenture plan, the allotment plan, the licensing plan, the withdrawal plan, and numerous others, although all naturally believe and contend their own plan to be the most effective, speaking for myself, naturally, I believe the equalization-plan is the most equitable plan. But this seems to be no time for discussing any particular plan to be employed.

I am sure all who have given the matter thought will agree that it will require the united and best efforts of all, regardless of their political affiliations or personal interests, to "reconstruct, to restore normal and better conditions," to overcome the generally acknowledged continued economic depression in agriculture, and to thus promote progress, prosperity, and happiness, not only to agriculture, but also to labor and industry; in other words, that we may have the fullest development of every worthy and legitimate enterprise.

After careful consideration by the committee, it was determined to construct a bill along the lines of the party platforms as interpreted by the candidates of the various parties and accepted by them as a mandate for the creation of a Federal farm board "to be clothed with authority and resources," and giving it definite direction, just what shall be accomplished by it, charging it with responsibility to work out its own plan to enable it to carry out the declared policy, and to execute the power vested in it by the act only in such manner as will in its own judgment aid to the fullest practical extent in carrying out the declaration of policy.

The aim of the bill is to finance the farmers, to enable them through cooperative associations, organized and controlled by them, in cooperation with the board, to market their commodities in their own way; in other words, to do as provided in the declaration of policy.

To promote effective marketing of agricultural commodities.

To place agriculture on a basis of economic equality with other industries.

To control and stabilize the marketing of agricultural commodities and their food products.

To minimize speculation and wasteful methods of distribution and limiting undue and excessive profits and price fluctuations, by encouraging organization of producers into cooperative associations and promoting the establishment and financing of farm marketing system, by aiding in preventing and controlling surpluses in any agricultural commodity, through orderly production and distribution—and the all-essential—so as to maintain advantageous domestic markets and prevent such surpluses from unduly depressing the price for the commodity.

And specifically providing that the board shall execute the power vested in it only in such manner as will in the judgment

of the board aid to the fullest practicable extent, carrying out the policy.

I take it that all will agree that effective marketing of agricultural commodities is absolutely necessary to place agriculture on a basis of economic equality with other industries.

That it is necessary to control and stabilize the marketing of agricultural commodities and their food products.

To minimize speculation and wasteful methods of distribution and to limit undue and excessive profits and price fluctuations, and if the producers are to be given the control of their marketing through cooperative associations, so as to enable them to market in their own way, it should be encouraged.

It is generally considered that the disposition of surpluses is one of the outstanding causes for the continued economic depression.

If so, it goes without saying that the board should aid in preventing and controlling such surpluses through orderly production and distribution.

If the surplus is, as is generally considered, the controlling factor in depressing our domestic markets, the all essential is, as stated, to maintain advantageous markets and to prevent such surpluses from unduly depressing the prices.

Party platform pledges made and accepted as a mandate by the respective candidates in respect to farm-relief legislation were written in language so clear that he who runs may read.

The Republican platform of 1924, with regard to agriculture, stated as follows:

We recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress. We pledge the party to take the necessary steps to bring back a balanced condition between agriculture, industry, and labor.

Which makes its position clear as to the adverse conditions which, as stated, have brought about deep distress, and also as to its pledges to bring back a balanced condition between agriculture, industry, and labor.

The Democratic platform of 1924 pledges the party—

To stimulate by every proper governmental activity the progress of the cooperative marketing movement and the establishment of an export marketing corporation or commission in order that the exportable surplus may not establish the price of the whole crop.

Which makes its position clear that legislation is required in order that the exportable surplus may not establish the price of the whole crop; in other words, that the tariff may be made effective to agriculture.

President Coolidge, in his message at the opening of the last session of the Sixty-ninth Congress, stated in part:

The important place which agriculture holds in the economic life of the Nation can not be overestimated. The National Government is justified in putting forth every effort to make the open country a more desirable place to live in, and no condition meets this requirement which fails to supply a fair return on labor expended and capital invested.

The 1928 Republican platform, under agriculture, reads as follows:

The Republican platform pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industries to insure its prosperity and success—

which in principle is identical with the 1924 platform, except that it adds the words, "to insure its prosperity and success."

The 1928 Democratic platform, under agriculture, reaffirms its policy as pledged in the 1924 platform and further pledges as follows:

There is need of supplemental legislation for the control and orderly handling of agricultural surpluses, in order that the price of the surplus may not determine the price of the whole crop. Labor has benefited by collective bargaining and some industries by tariff. Agriculture must be as effectively aided. It pledges the united efforts of the legislative and executive branches of Government, as far as may be controlled by the party, to the immediate enactment of such legislation and to such other steps as are necessary to place and maintain the purchasing power of farm products and the complete economic equality of agriculture. * * * Farm relief must rest on the basis of an economic equality of agriculture with other industries. To give this equality a remedy must be found which will include among other things: Creation of a Federal farm board to assist the farmer and stock raiser in the marketing of their products, etc. The party pledges the establishment of a new agricultural policy to present conditions, under the direction of a farm board vested with all the powers necessary to accomplish for agriculture what the Federal Reserve Board has been able to accomplish for finance, etc.

President Hoover, in his speech of acceptance, August 11, 1928, stated:

Objection has been made that this program, as laid down by the party platform, may require that several hundred millions of dollars of capital be advanced by the Federal Government without obligation upon the individual farmer. With that objection, I have little patience. A nation which is spending ninety billions a year can well afford an expenditure of a few hundred millions for a workable program that will give to one-third of its population their fair share of the Nation's prosperity. Nor does this proposal put the Government into business except so far as it is called upon to furnish initial capital with which to build up the farmer to the control of his own destinies.

An adequate tariff is the foundation of farm relief. The domestic market must be protected. Foreign products raised under lower standards of living are to-day competing in our home markets. I would use my office and influence to give the farmer the full benefit of our historic tariff policy—

which seems to make it clear, first, an adequate tariff; that is a matter that will undoubtedly be carried out by the Ways and Means Committee, which has jurisdiction of the revision of the tariff.

President Hoover states in his message of April 16:

The great expansion of production abroad under the conditions I have mentioned renders foreign competition in our export markets increasingly serious.

If serious, a method of marketing must be found to overcome the serious situation. The committee did not deem it advisable to prescribe any specific method, but in the declaration of policy it makes it clear just what shall be done to overcome this serious situation.

On line 7, page 2, it states first, "by promoting the establishment and financing of a farm marketing system of producer-owned and producer-controlled cooperative associations and other agencies, and by aiding in preventing and controlling surpluses in any agricultural commodity through orderly production and distribution." To do what? Exactly as stated, "so as to maintain advantageous domestic markets and prevent such surpluses from unduly depressing prices for the commodities," and it adds, "The Federal farm board shall exercise the power vested in it by this act, only in such manner as will in the judgment of the board aid to the fullest practicable extent in carrying out the policy declared."

I think all will agree that its purpose clearly is to maintain domestic markets, so as to prevent such surpluses from unduly depressing the prices for the commodity.

Now, as the gentleman from Illinois [Mr. WILLIAMS] has discussed the declaration of a policy and the bill itself in detail, I shall not now take up your time; but my friend from Missouri [Mr. CANNON] made a statement only a few moments ago to the effect that this bill gave no authority to the board which would enable the board to make the tariff effective, and that it would not be possible under the bill to give the farmer the benefit of our protective tariff laws. I beg to differ with the gentleman. I understood him to say it was not the intention to elevate the price under the power given. The answer is that the farmer is given control over his own marketing in his own way. Is it not fair to assume that the farmers will exercise the power given them under this bill and use the funds furnished in such a way as to elevate the price rather than to depress the price?

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield there?

Mr. HAUGEN. Certainly.

Mr. BANKHEAD. The gentleman has just asserted that he does not agree with the statement made by the gentleman from Missouri [Mr. CANNON], that there is no provision in this bill to make the tariff effective. For a number of years the gentleman from Iowa has taken the position that the tariff per se was not effective for the benefit of the farmer.

Mr. HAUGEN. No; the gentleman, I am sorry, is mistaken. I have never taken that position, but I have taken this position, that the tariff is not of any benefit to the producers of large exportable surpluses, because of the fact that the price received for the exportable surplus establishes the price of the whole crop. That is quite a different proposition.

Mr. BANKHEAD. I am asking for information, because I supported the gentleman in his former bill and voted for it. I would like to have him explain to the House and to the country, because we are all interested in the proposition, how under the terms of the proposed pending bill the tariff is to be made effective so as to benefit the farmer.

Mr. HAUGEN. I am glad the gentleman asked that question. I call the gentleman's attention to line 6, page 2, where it is stated:

By encouraging the organization of producers into cooperative associations and promoting the establishment and financing of a farm marketing system of producer-owned and producer-controlled cooperative associations and other agencies; and by aiding in preventing and controlling surpluses in any agricultural commodity, through orderly production and distribution—

To do what? Exactly as stated in the bill—

so as to maintain advantageous domestic markets and prevent such surpluses from unduly depressing prices for the commodity.

What does that mean?

Now, that is exactly the wording we carried in previous bills. A number of drafts were presented, but after considering all of the drafts we got back to the original draft. And it adds:

The Federal farm board shall execute the powers vested in it by this act only in such manner as will, in the judgment of the board, aid to the fullest practicable extent in carrying out the policy above declared.

What is the policy? It is to maintain advantageous domestic markets, so that the surplus shall not depress the price of the commodity.

Mr. BANKHEAD. Will the gentleman yield again?

Mr. HAUGEN. Certainly.

Mr. BANKHEAD. Does the gentleman think the explanation he has given me meets my question as to whether or not this bill will have the effect in its operation of benefiting the farmer as far as the tariff is concerned with relation to exportable surpluses?

Mr. HAUGEN. It is left with the board, as I have stated. We are not setting up here any definite plan. We leave that to the board to determine. We must have confidence in the board. We have confidence in the administration, and unless we have I take it that this bill, as is the case with other bills, may not be worth the paper it is written on. Legislation is one thing and the enforcement of it is a different thing. We have many laws which are not carried out, but we must depend upon the executive branch of this Government to carry out the declaration of Congress.

Now, what about the administration? President Hoover in his message stated—

that the American farmer, having been greatly handicapped in his foreign markets by such competition by the younger expanding countries, should ask that foreign extension in our domestic markets should be regulated by taking into account the difference in our cost of production.

How can it be accomplished? By an increase in duty? No; not in all cases. Any increase in rate of duty, in the absence of full control of the marketing of the whole commodity, will be no benefit to producers of commodities of which there is a large exportable surplus. All agree that producers of large exportable surpluses, such as in the case of wheat, in the absence of 100 per cent pool, sell their exportable surplus in the world market in competition with the world surplus, much of it produced at a lower cost, under lower standards of living—it in turn establishes the price of the whole production. As a result, they sell not only their exportable surplus, but their whole crop at the world price, resulting in selling their wheat not at the American price level (the world price, plus the tariff and cost incidental to the importation of the competitive wheat), but at the lowest world market price, and buy on the highest market, made artificially high by our protective system. In that case, it goes without saying, producers of wheat and other producers of large exportable surpluses, would, of course, receive no benefit from any increase in the rate of duty, but, on the contrary, if a corresponding increase in duty on what they buy is levied it would add to their already heavy burden. What the wheat growers need is not a higher rate of duty, but that they be given the benefit of the 42-cent tariff established by the Tariff Commission as just and fair. It goes without saying that a 100 per cent increase in rate of duty on wheat, and a corresponding increased duty resulting in an increase in price of clothes and other things the wheat producer buys would increase the price of clothes and things the wheat producer buys, but would not increase the price of wheat. As a result, not a benefit to the producer but an additional hardship. Certainly, an increased rate of duty on commodities of which there is a large exportable surplus would not benefit the producers, but it would benefit the producers of commodities of which there are no exportable surpluses.

Mr. BURTNESS. Will the gentleman yield?

Mr. HAUGEN. Let me tell my friend from Dakota what happens. I want to pay my respects to Dakota. Canada is our competitor in cattle and wheat. The tariff on cattle weighing less than 1,050 pounds is \$1.50, and \$2 if over 1,050 pounds.

The price of cattle at South St. Paul is generally \$3 a hundred above Winnipeg. The \$3 is about equal to the \$2 tariff, 42-cent freight and other expenses incident to the importation of cattle. In that case, ranchmen get the benefit of the tariff. Tariff on wheat is 42 cents a bushel. Notwithstanding the 42-cent tariff on low protein-content wheat, of which we have a large exportable surplus, low protein-content wheat sells at a lower price in Minneapolis and Duluth than at Winnipeg. The high-protein wheat, of which we generally have no exportable surplus, sells at Minneapolis and Duluth at a higher price than at Winnipeg.

Last year, Dakota farmers were receiving at Minneapolis for their high protein-content wheat from 12 cents to 32 cents above the Winnipeg price, and Montana farmers received for wheat containing a large percentage of protein, more than 42 cents more than the price at Winnipeg, which seems to make it clear to all that the price obtained for the exportable surplus establishes the price of the whole crop, and in case of no exportable surplus the producer gets the benefit of the tariff.

It not only establishes the price of the whole crop, but also establishes the wage scale of labor. Edgar Wallace, representing the American Federation of Labor, before the House Committee on Agriculture on February 21, 1928 (Serial E, pt. 9, p. 650 of the printed hearings) in his discussion of the matter, stated in reference to our high standard of living—

I believe that we have the highest standard of living to-day—I believe our standard of living is higher than that of any country in the world—higher than it has been anywhere.

On page 648 of the hearings, in reply to a question in respect to what effect the tariff on textiles had had on raising the wages of laboring people who work in it, stated—

It has not had that effect in the textile industry; it has not raised them—we have come to the point where we export 15 per cent of our textiles, and our wages, like the farmers' returns, is predicated on that 15 per cent that has to be exported in competition with the world.

If Mr. Wallace's position is well taken, the exportable surplus of the products of labor and the farmer establishes not only the price of the whole production but also the workman's wage and the farmer's return. There seems to be no question about that. If so, labor and the farmer get the benefit of the tariff on products of which there is no exportable surplus, and no benefit in case of producers of a large exportable surplus.

It goes without saying that if in case of an exportable surplus the wage-earner's wage and the farmer's return are predicated upon the portion that has to be exported and sold in competition with the world; certainly labor or the farmer can not successfully compete with the lowest markets in the world and buy on the highest markets in the world, made artificially high by a protective tariff, and be placed on the promised economic equality with others.

So far as is known, there are only two methods by which to prevent the exportable surplus from unduly depressing the prices of the commodity.

One, as made effective to organized industry, the equalization plan; to give the producers the full control over the marketing of the whole production, to sell for domestic consumption, at the American price level—the world price plus the tariff—and each producer contributing his ratable share of the cost of equalizing the price and to receive his proportionate share of the profits therefrom. In other words, to make the protective laws effective, as, for instance, the Adamson Act and our immigration laws are made effective through labor organizations to influence the wage scale, and as the Federal reserve act is made effective through the Federal Reserve Board exercising its power in controlling the volume and flow of currency, thus influencing the rate of interest.

Or a subsidy plan, such as the debenture plan, the allotment plan, the licensing plan, and the withdrawal plan.

Under the first, the equalization plan, the producer pays the cost of equalizing the price, and under the subsidy plan Uncle Sam pays the cost.

It will be for the board to determine what plan shall be employed in maintaining advantageously domestic markets, so that the surplus shall not unduly depress the price of the commodity.

Personally I believe, as I always have, in not only a protective tariff but also to make it effective all along the line. A tariff to protect American labor and American industry and every worthy and legitimate enterprise, one to maintain the American high standard of living, one that will result in the common good of all the people.

Undoubtedly the American producers are entitled not only to an adequate tariff but also that it be made effective; that is,

as stated in the declaration of policy, that advantageous domestic markets shall be maintained and to prevent such surpluses from unduly depressing the price for the commodity. In other words, that they be insured the American price level—the world price plus the tariff.

Had the tariff been made effective to the farmers, under the equalization-fee plan, for instance, for the year 1925, the producers of wheat would have received \$450,000,000 minus the cost of equalizing of \$131,750,000, or a net profit of \$318,750,000; on butter, \$123,925,000; corn, \$522,627,000; lard, \$44,883,300; beef, \$332,078,400; or a total of \$1,342,265,110.

Had the tariff been made effective to the farmers for the year 1927-28, the last available, the producers of wheat would have received a net profit of \$377,815,570; on corn, \$537,604,238; on lard, \$57,068,000; on beef and on butter net imports exceeded exports.

I believe it is fair to assume that any law operating in the interest of one and against another, as in the case of our tariff laws, should be made effective all along the line. I believe that the farmers are entitled to and in need of farm relief legislation. As to that there seems to be little difference of opinion. There are, however, differences of opinion as to by what method it may be made effective. It will be for the board to determine by what method it shall be accomplished.

I believe that recent experience has demonstrated with absolute finality that the stability, growth, and greatness of our Nation, the progress, prosperity, and happiness of our people, depend upon the success and prosperity of the tillers of the soil.

One thing is certain: In the absence of prosperity on the farm, factories, mills, and banks crumble to pieces and railroads rust from idleness and labor is out of employment.

Yes, as stated by Mr. Wallace when appearing before the Committee on Agriculture:

The farmers are our customers; when they have no money we can not work. We are the farmers' customers; hence I think it is to the interest of all the workers. * * * I can not see any hope of improvement, except the farmers can buy. These are the people on whom we depend. Now, Mr. Chairman, I do not see any difference in confiscating a farmer's product by force or forcing upon him confiscatory prices that will have the same effect. * * * What does it profit us if we can get meat for 10 cents a pound if we haven't the 10 cents?

And again, only a few days before passing away, that grand old man, Mr. Wallace, appeared before our committee and said:

I am sorry to say, Mr. Chairman, that what I apprehended a year ago is not a fact * * * that is, as we are sitting here to-day 40 per cent of the workers of this country are idle because no man has hired them. * * * So we are heading for the dump.

Which seems to make it clear that farm relief legislation is of vital importance not only to the farmers but to labor.

Mr. BURTNESS. Will the gentleman yield?

Mr. HAUGEN. I yield to the gentleman.

Mr. BURTNESS. The gentleman referred to the language in lines 12 and 13, on page 2, of the declaration of policy, giving the legislative guide to the board to assist in the marketing of the crops, and so on, and the words I want to specially emphasize are these, "so as to maintain advantageous domestic markets"; and the specific question I want to ask the gentleman is this, Does the gentleman construe that language—"advantageous domestic markets"—in substance, as meaning a legislative guide to this board to conduct their affairs in such a way, if possible, as to give to the American producer of surplus crops the world price plus the tariff?

Mr. HAUGEN. I know of no advantageous domestic market except one that gives him the full benefit of every protective law upon our statute books. [Applause.]

Mr. BURTNESS. And that is the gentleman's construction of the language?

Mr. HAUGEN. The aim of our protective laws is to establish advantageous domestic markets. They can not be made advantageous if denied the benefit of our protective laws.

Mr. BURTNESS. That is the only advantage that can be obtained.

Mr. HAUGEN. Of course, there might be others. They are not all protected by a tariff. There is the question of orderly marketing, steadying the flow to meet the demand, and various other things. That is only one of the many details to be worked out.

Mr. BURTNESS. What I had in mind is that that is the main advantage over the world market.

Mr. HAUGEN. I take it there would probably be but few commodities where it would be necessary to give consideration to the tariff.

Mr. BURTNESS. As the author of the bill—

Mr. HAUGEN. I believe we can handle the corn-crop proposition without any consideration whatever of the tariff, because

we have only a small surplus. We can also handle the dairy business in the same way, because there is no large exportable surplus.

Mr. BURTNESS. At any rate, if I understand the gentleman correctly, these words "advantageous domestic markets," when written into this bill were written into it with the thought that the guide should be there to attempt to give the producer the full benefit of the tariff in addition to the world price in the case of surplus crops.

Mr. HAUGEN. That has been my understanding, and I believe that is the understanding of everybody else. It is the same language we had in the previous bill and I do not think it can be improved upon. A number of drafts were suggested, but we finally returned to the old wording.

Mr. ARENTZ. But after all, if the gentleman will permit, this preamble or declaration of policy is nothing more than a declaration of policy and we will get nowhere without additional legislation.

Mr. HAUGEN. Oh, no—

Mr. ARENTZ. Is this bill the best bill that has been presented to this House because of this preamble or because of the curtailment of the authority of the board, or because the equalization fee is out of it? I would like to know.

Mr. HAUGEN. If the gentleman will carefully read the bill—

Mr. ARENTZ. I have read it time and again and have studied it.

Mr. HAUGEN. The bill provides that the Federal farm board shall exercise the power vested in it by this act only in such manner as will in the judgment of the board, do what? Aid to the fullest practical extent in carrying out the policy declared. That is a part of the declaration of policy.

Mr. ARENTZ. And then in the paragraphs that follow you tell exactly what the board shall do, and they can not go beyond the things you have laid down in these paragraphs. It shall loan money under certain conditions and shall do this and shall do that, but the declaration of policy means nothing unless you enact legislation which will follow it up.

Mr. HAUGEN. You will find everywhere that we repeat the same language.

Mr. ARENTZ. The preamble does not make the Constitution of the United States.

Mr. HAUGEN. But in various provisions of the act, it is specifically directed what the board shall do.

Mr. ARENTZ. I hope it does what the gentleman claims and I am going to vote for it, although I do not think much of it. [Laughter and applause.]

Mr. HAUGEN. I am not a constitutional lawyer by any means, but I have submitted this to a number of lawyers, and my understanding is it will tie the board to the declaration of policy. It is a direction to them and it is expected that the board will carry out the direction of Congress.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. HAUGEN. Certainly.

Mr. GOLDSBOROUGH. Can the gentleman suggest something that the board could do, outside of attempting to educate the farmers of the country, to decrease the supply of a commodity which now has an exportable surplus?

Mr. HAUGEN. I think the only way it could be handled would be to make the tariff effective, and that could be done in various ways in respect to the tariff proposition.

Mr. GOLDSBOROUGH. Will the gentleman illustrate?

Mr. HAUGEN. Certainly. If you have control of the whole production and then you sell for domestic consumption at the American price level, the American price level being the world price plus the tariff and other expenses incidental to the importation of the competitive article, and you sell on the world market at the highest obtainable price, and then pay the producer the average price, the equalized price.

There are only two ways, as I have stated, that I know of, and that is either through equalizing the price, which simply means that all receive the average price, or else by a subsidy.

Now, here is an illustration. We will take wheat again. There are 800,000,000 bushels raised and 600,000,000 bushels consumed at home. If you have control and sell the 600,000,000 bushels here at home at the world price plus the tariff and the cost of importing the article, then the price has been built up to the level of the tariff wall as far as one can go. You have no control of the world's prices, so you sell it for the highest obtainable world price, and if there is a 50-cent loss on each bushel exported, your loss would be \$100,000,000. Distribute that over 800,000,000 and you have the average profit of 37½ cents per bushel.

Mr. GOLDSBOROUGH. Why did not the gentleman put that in the bill?

Mr. HAUGEN. We are not able to put all these plans in the bill; it is for the board and stabilization corporation and producers to adopt the plan; they should have no trouble about adopting the plan.

Mr. GOLDSBOROUGH. Could the board adopt this plan the gentleman has described under this bill?

Mr. HAUGEN. Yes; but the board under the bill is not handling the commodity. The farmers themselves, the cooperative association, could do it. Now, it is fair to assume that the farmers themselves, the cooperative association, will devise some plan to do it. It can be accomplished without the equalization fee, although that was believed to be the simplest method. It can either withhold or collect a fee sufficient to pay the cost of equalizing the price. It can say withhold it—without issuing a receipt or collecting a fee. It could be worked out either way by the corporation and the producers, without additional legislation.

Mr. SIROVICH. Will the gentleman yield?

Mr. HAUGEN. Yes.

Mr. SIROVICH. Could the board apply the debenture plan for equalization?

Mr. HAUGEN. I do not think they could apply the debenture plan, but they can apply the subsidy plan—that is, to take it out of the revolving fund and pay the losses.

Mr. SIROVICH. Have they the discretionary power under the bill to do that?

Mr. HAUGEN. All loans, of course, have to be approved by the board. But, my friends, we must have confidence in the board. We have in the speeches and in our platforms made our purposes clear.

Mr. ARENTZ. Will the gentleman yield further?

Mr. HAUGEN. Yes.

Mr. ARENTZ. I think the gentleman has stated the whole thing in the last two sentences. You say we must have confidence in the board. On page 4, line 8, the bill says: "Including recommendations for legislation"; the board is to study the situation and make recommendations to your committee.

Mr. HAUGEN. Of course, the authority is limited.

Mr. RANKIN. Will the farmers have to wait until the board is organized, and another Congress is convened, recommendations made by the board, and the next Congress passes the legislation before they reap any benefit of this legislation?

Mr. HAUGEN. If you pass this bill this month, the board will be organized next month.

Mr. RANKIN. And have to wait until next December for Congress to act again before they get any relief.

Mr. HAUGEN. No.

Mr. RANKIN. The gentleman speaks of making the tariff effective on commodities with an exportable surplus. What effect would this have on commodities such as cotton, that have an exportable surplus that are not covered by the tariff?

Mr. HAUGEN. Orderly marketing.

Mr. RANKIN. That is all; it would not tend to raise the price of the commodity and wipe out the inequalities now existing between the producer of that commodity and the producer of industrial commodities?

Mr. HAUGEN. It would be for the producers themselves to work out the plan, if they have control of the market.

Mr. RANKIN. The gentleman is very kind; but how will that benefit the cotton farmer?

Mr. HAUGEN. The contention is that it will benefit them through withholding the supply from the market. The United States produces two-thirds of the cotton of the world, and that ought to have some influence on the world market, because the volume is such that it will enable them to influence the world market.

Mr. RANKIN. There is nothing in this bill that would tend to help raise the price of cotton and wipe out the inequalities now existing between the producers of cotton and the producers of manufactured articles protected by the tariff.

Mr. HAUGEN. If you will turn over to the stabilization corporation \$100,000,000, I think you will agree that it will be in position to influence the market.

Mr. RANKIN. How will they do that?

Mr. HAUGEN. Go on the market and advance the price.

Mr. RANKIN. Advance the price how?

Mr. HAUGEN. That would be for the board to determine. Everybody determines what price should be paid for his commodity.

Mr. RANKIN. In other words, if we had \$100,000,000 to go into the market with which to buy cotton—

Mr. HAUGEN. Even the fellow on the street who sells peanuts fixes the price of the peanuts.

Mr. RANKIN. I agree with the gentleman from Nevada [Mr. ARENTZ]. I have read the bill carefully. I can not see where

in the slightest way it will benefit the farmer so far as raising the price of commodities is concerned, and wiping out the inequalities from which he now suffers.

Mr. HAUGEN. It will assist in this way. They are supplied with funds, and they will have control of the marketing of their own commodities. The clearing house and the insurance and a number of things provided for will be helpful.

Mr. RANKIN. You provide for loaning him money and do not even specify the rate of interest.

Mr. HAUGEN. We loan it at a rate of interest to be fixed by the board.

Mr. RANKIN. My experience with these boards is, as with the Federal Reserve Board in 1920, that whenever they get ready to raise the discount rate the farmer usually catches the brunt of it. At the very best the only thing you provide is to loan money to stabilize him in his present unfortunate condition.

Mr. HAUGEN. Loan him money to enable him to market his commodities in an orderly way.

Mr. RANKIN. Stabilize him in his present unfortunate position. There is not a line in the bill, not a provision in the bill, that will help to raise the price of cotton, or in my opinion, to raise the price of any other farm commodity and wipe out the inequalities under which the farmers are to-day suffering.

Mr. ARENTZ. Mr. Chairman, I do not think it is fair to put words in my mouth. I did not say anything at all like the gentleman from Mississippi has stated.

Mr. RANKIN. I did not say the gentleman said it. The gentleman from Nevada simply said he could not see anything in the bill, or words to that effect.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. HAUGEN. Yes.

Mr. CRISP. I am in sympathy with the gentleman's bill and I expect to support it. I rise to inquire about two matters. I have not had an opportunity to study the bill, although I have read it. The bill does not make an appropriation for the revolving fund, but simply authorizes it?

Mr. HAUGEN. Yes.

Mr. CRISP. And states that the appropriation is to be made available as soon as practicable. If the farm board is appointed and desires to function, before it can function as to making loans to these stabilizing corporations to take the product off the market, there must be affirmative legislation by Congress, making the appropriation available. What does the gentleman's committee contemplate asking Congress to do in that respect?

Mr. HAUGEN. In this case, as in all other cases, the Committee on Agriculture has no authority to appropriate, but has authority to authorize.

Mr. CRISP. I agree thoroughly with the gentleman as to the rules of the House, but the gentleman will recognize this suggestion on my part. There is nothing in the law or in the Constitution that requires appropriations to be reported from any particular committee, but our rules say that appropriations must come from the Committee on Appropriations. However, it is a common practice in this House for the Committee on Rules to bring in a rule making legislation in order on some other bill that would be subject to a point of order without the rule. Would not the Rules Committee in this case give authority to the committee to make the appropriation in this bill available and thereby have one complete piece of legislation requiring no further affirmative action?

Mr. HAUGEN. I quite agree with the gentleman, but under the rules we went as far as we could.

Mr. CRISP. One other question. The bill contemplates making loans to this stabilizing corporation for any commodity for the purpose of taking off a hurtful surplus. Does the bill limit the creation of stabilizing corporations to one corporation for each particular basic commodity, or can the board authorize the creation of as many stabilizing corporations as it desires and loan money to each of them?

Mr. HAUGEN. It can loan unlimited amounts to cooperative associations and can loan money to the stabilizing corporations, but one or more stabilization corporations can be set up for one particular commodity.

Mr. CRISP. I am seeking light. I am friendly to the bill. In the bill that I had something to do with in the last Congress, known as the Curtis-Crisp bill, we provided for the creation of these holding corporations, the corporations to be incorporated by members of the cooperative marketing associations.

But that bill provided that where one holding corporation was created for wheat, say, or for cotton, or any other basic commodity, no other corporation could be created to deal with the board relative to that particular commodity, but all other cooperatives were given the right to become stockholders in that one holding corporation for each of the commodities.

What I am seeking to know is whether the gentleman's committee contemplated having only one holding corporation for each basic commodity or could dozens of holding corporations be established for each one of the commodities and each one of those dozen corporations borrow from the revolving fund.

Mr. KETCHAM. Mr. Chairman, will the gentleman from Iowa yield?

Mr. HAUGEN. Yes.

Mr. KETCHAM. In response to the question of the gentleman from Georgia [Mr. CRISP] if he will turn to section 3 of the bill he will find that matter specifically covered. It provides that in the case of a certain commodity like cotton, more than one corporation might be set up.

Mr. CRISP. I thank the gentleman. I read the bill only once, rather hurriedly.

Mr. KETCHAM. I think the gentleman will find the identical case covered in section 3.

Mr. HAUGEN. Under leave to extend and revise I append hereto a brief analysis of the bill.

The declaration of policy declares it to be the aim of Congress "to promote the effective merchandising of all agricultural commodities," including those not protected by a tariff, and of which there is no exportable surplus, "in interstate and foreign commerce, so the industry of agriculture will be placed on an economic equality with other industries," and to that end "to protect, control, and stabilize the current of interstate and foreign commerce in the marketing of agricultural commodities, and their food products, by minimizing speculation, preventing inefficient and wasteful methods of distribution, and limiting undue and excessive price fluctuations, and so forth, so as to prevent such surpluses from unduly depressing prices for the commodity."

The control and stabilization of the flow in interstate and foreign commerce, the minimizing of speculation and preventing inefficient and wasteful methods in distribution, and the limiting of undue and excessive price fluctuations, is, of course, necessary not only in marketing surpluses so as to maintain advantageous domestic markets and to prevent surpluses from unduly depressing the prices of the commodity but to effectively merchandise all agricultural commodities.

The question is, How is it all to be accomplished? As previously stated, no detailed plan is prescribed. The board is charged with the responsibility of selecting the formula to be used in carrying out the policy declared.

Section 2 creates a Federal farm board, to consist of a chairman and five members, appointed by the President, by and with the advice and consent of the Senate, and the Secretary of Agriculture ex officio. The salary and service of the chairman shall be at the pleasure of the President. The salary of the five appointed members is \$12,000 and necessary traveling and subsistence expenses. The term of office of the five appointed members shall expire, two at the end of the second year, two at the end of the fourth year, and one at the end of the sixth year, and thereafter for a term of six years. Each appointed member shall be a citizen of the United States, and shall not actively engage in any other business, vocation, or employment than that of serving as a member of the board.

Powers of the board: The principal office of the board shall be located in the Department of Agriculture, and shall maintain other offices in the United States as it deems necessary.

1. It shall have an official seal, etc.
2. Shall make an annual report to Congress, including recommendations for legislation.
3. Make such regulations as necessary to execute the functions vested in the board.
4. May appoint and fix salaries of secretary and experts; all others under the classified civil service.

Section 3: The board is authorized to designate from time to time as an agricultural commodity—

1. Any regional or market classification or type of any agricultural commodity.
2. Any two or more agricultural commodities which are so closely related in use or marketing methods as a single agricultural commodity.

The board shall invite the cooperative associations handling any agricultural commodity to establish an advisory commodity committee of seven members, of whom at least two shall be experienced handlers or processors of the commodity to represent such associations; such members shall be selected from time to time, in such manner as the board shall prescribe.

Each member of the commodity committee to be paid per diem expenses not exceeding \$20 for attending committee meetings authorized by the board, and for time devoted to business, and necessary travel and subsistence expenses.

Section 4: The board is authorized and directed—

1. To promote education in cooperative marketing.

2. To encourage organization improvement in methods and development of effective cooperative associations.

3. To keep advised and make reports as to crop prices, experiences, prospects, supply and demand, at home and abroad.

4. To investigate conditions of overproduction of agricultural commodities and advise as to prevention.

5. To make investigations and reports and publish same, including land utilization for agricultural purposes, reduction of acreage of unprofitable marginal lands in cultivation, the economic need for reclamation and irrigation projects, methods of expanding markets at home and abroad, methods of developing by-products of and new uses for agricultural commodities, and transportation conditions and their effect on marketing.

Section 5 authorizes an appropriation of \$500,000,000, which shall be made available and shall constitute a revolving fund to be administered by the board. Board authorized to make loans from revolving fund. Loans to bear interest at rates to be fixed by the board. Repayments of principal covered into revolving fund. Interest payments covered into Treasury as miscellaneous receipts.

Loans to be made to cooperative associations to assist in—

1. Effective merchandising of agricultural commodities and their food products.

2. Construction or acquisition by purchase or lease of storage or other physical marketing facilities.

3. For the formation of clearing-house associations.

4. For extending the membership of cooperative associations. No loans to be made unless in opinion of board in furtherance of the policy declared.

The applicants for the loan have an organization, management, and business policy of such character as to insure the reasonable safety of the loan and the furtherance of the policy.

No loan for acquisition or purchase of physical marketing facilities shall be in excess of 80 per cent of value.

No loan for purchase or lease shall be made unless the board finds that the purchase price or rent to be paid is reasonable.

No loan for construction, purchase, or lease, if other facilities available, at reasonable rates and satisfactory.

Loans for such facilities, together with interest, shall be repaid upon such an amortization basis over a period not in excess of 20 years.

Loans shall be upon terms and security as the board deems necessary.

Loans to cooperative associations or to producers of any agricultural commodity are authorized to assist in forming producer-controlled clearing houses, such clearing houses authorized to operate under rules adopted by member cooperative associations approved by the board.

Upon request of the advisory committee the board is authorized to make loans to the stabilization corporations, for working capital to enable it to purchase, store, merchandise, or otherwise dispose of the commodity upon such terms and conditions and at such rates of interest as the board may prescribe.

Independent dealers in, and handlers, distributors, and processors of the commodity, as well as cooperative associations, shall be eligible for membership in clearing-house associations, provided policy of such clearing-house association shall be approved by a committee of producers representative of the commodity provided; that such clearing-house association shall operate under rules and regulations prescribed by the board. The board may provide for registration, and so forth.

The board is authorized upon application of cooperative associations and of advisory commodity committee to enter into agreement for the insurance of cooperative associations against loss through price declines, in agricultural commodities handled by association and produced by members thereof.

Section 6: The board may organize as a stabilization corporation if it finds the marketing situation requires the establishment of a stabilization corporation in order to effectively carry out the declared policy.

2. If the board finds the corporation duly organized under the laws of a State or Territory.

3. If the outstanding voting stock or membership interest may be owned by cooperative associations handling the commodity.

4. If the corporation agrees with the board to adopt such by-laws, which shall permit cooperative associations not members or stockholders to become stockholders or members therein, upon equitable terms.

(b) The stabilization corporation may act as a marketing agency for its stockholders or members, and upon request of the advisory committee the board is authorized to make loans to the stabilization corporations, for working capital to enable it to purchase, store, merchandise, or otherwise dispose of the commodity upon such terms and conditions and at such rates of interest as the board may prescribe.

(c) Stabilization corporations shall execute every reasonable effort to avoid losses and secure profits, but shall not withhold from the domestic market if the prices thereof have become unduly enhanced, resulting in distress to domestic consumers.

(d) The stabilization corporation shall maintain adequate reserves before paying dividends. If a loss is sustained by such corporations which exceeds its capital and reserves, such loss shall be repaid out of profits and not assessed against the stockholders.

Section 7: The board shall cooperate with any Government establishment, including field service, at home or abroad. The President may by Executive order direct any such Government establishment to furnish the board information except confidential information given in pursuance of the law.

Section 8: Expenditures in executing the act, including salaries, expenses, and so forth, of members, officers, and employees prior to July 1, 1930, authorizes appropriation of \$1,500,000. No part to be available for loans or advances for the payment of which the revolving fund or insurance moneys are authorized.

(b) Defines cooperative associations as any association qualified under the act of February 18, 1922 (Capper-Volstead Act).

Whenever producers of any agricultural commodity not organized into cooperative associations so extensively as to render them representative of the commodity, then privileges, assistance, and authority shall also be available to other associations and corporations producer owned and producer controlled and organized for and actually engaged in marketing of the agricultural commodity.

(c) It shall be unlawful for any member, officer, or employee to speculate, directly or indirectly, in any agricultural commodity or product thereof, or in contracts relating thereto, or in stock or membership interests, and provides penalty of \$10,000 or 10 years' imprisonment or both for violation.

(d) Prohibits disclosing of information in violation of any regulation of the board, and provides penalty of \$10,000 fine or imprisonment of not more than 10 years or both in violation.

Section 9: The President is authorized by Executive order to transfer or retransfer from jurisdiction and control of board whole or any part of any office, bureau, service, division, commission, or board in executive branch of Government, etc., including records, property, personnel, and balances of appropriations, etc.

Section 10: Vouchers approved by the chairman of the board shall be final and conclusive upon all officers of the Government and subject to examination of General Accounting Office for the sole purpose of making report to Congress.

Section 11: Act may be cited as "Federal farm board act."

All are agreed that we are entitled to just laws and an honest administration of such laws. We can not be contented with anything else. Legislation, not to deprive an individual or corporation of a single dollar or interest honestly acquired, but legislation always proceeding in a dignified and comprehensive manner, with a spirit of fairness and justice to all concerned.

All recognize the continued depression in economic conditions in agriculture, and the urgent need of farm relief.

All take a just and pardonable pride in the Nation's growth and greatness, and in the fact that we are living in an age of marvelous development and moving forward with a mighty pace. All would be pleased to see the wheels of industry moving. All would be pleased to see every energy employed, to see progress, prosperity, and happiness in evidence everywhere. All, regardless of their political affiliations and personal interest, feel it their duty to protect the weak, to relieve distress, to uplift humanity, to give honest and thoughtful consideration in securing the full benefit of our natural resources, for the development of mechanical appliances, for the skill and genius of American labor; to see to it that nobody is imposed upon, that all are given adequate protection against the invasion by unscrupulous interests, in order that we may have the fullest development of every worthy and legitimate enterprise.

A number of assertions have been made that the Federal farm board act carries no provisions to make the tariff effective to the producers of agricultural commodities.

The bill presents no specific plan, as in the previous McNary-Haugen bills, just how the tariff shall be made effective, but it provides that its aim is—

to promote effective merchandising of agricultural commodities, so that the industry of agriculture may be placed on a basis of economic equality with other industries . . . to aid in preventing and controlling surpluses in any agricultural commodity, through orderly production and distribution, so as to maintain advantageous domestic markets and prevent such surpluses from unduly depressing the price for the commodity, and that the Federal farm board shall execute the powers vested in it by this act only in such manner as will in the judgment of the board aid to the fullest practicable extent in carrying out the policy.

Which should make it clear that its aim is to give the producers of agricultural commodities advantageous domestic markets and to prevent exportable surpluses from unduly depressing the price for the commodity—in other words, to give the producers, protected by a protective tariff, the benefit of our protective laws, which has been the purpose of previous bills and which is still contended for by the farm groups as evidenced by the following letter:

WASHINGTON, D. C., April 6, 1929.

Hon. GILBERT N. HAUGEN,

*Chairman House Committee on Agriculture,
House Office Building, Washington, D. C.*

DEAR CONGRESSMAN HAUGEN: The representatives of the three national farm organizations—the Farmers' Educational and Cooperative Union, the National Grange, and the American Farm Bureau Federation—wish to convey to you their joint conclusions in regard to the foremost task which confronts the extraordinary session of Congress soon to convene.

It is too evident to need more than mention that legislation, to be of benefit to agriculture, must be of such nature that it will increase the farmer's net income. The American farmer must have an American price for his farm products in order to maintain an American standard of living; any legislation which stops short of attempting to secure this certainly will not suffice.

There are, in our opinions, four requisites which must be met by any legislation to permit it to qualify properly as farm relief. These requisites are:

(1) It should make the tariff effective on all farm crops so that surpluses will not be permitted to depress the domestic price to the world level of prices.

(2) It should be of such nature that the control and disposition of agricultural surpluses are adequately provided for.

(3) It should contain provisions, which are automatic in their operation, to check overproduction.

(4) It should provide for farmer ownership and control of marketing organization with due consideration to cooperative associations already established.

We unanimously agree upon these fundamental principles and offer our services to the Senate and House Committees on Agriculture in formulating legislation which will make the above principles operative.

We recognize that the Committees on Agriculture do not initiate tariff measures; but we desire to express our conviction that, in addition to the type of legislation above described, the special session of Congress should make tariff adjustments sufficient to give the farmers of our Nation the domestic market.

Very respectfully,

FARMERS' EDUCATIONAL AND COOPERATIVE UNION,
C. E. HUFF, *President*.
THE NATIONAL GRANGE,
L. J. TABER, *Master*.
AMERICAN FARM BUREAU FEDERATION,
S. H. THOMPSON, *President*.

The bill makes it possible through cooperative associations in cooperation with the board to market their commodities in their own way. It provides a revolving fund of \$500,000,000 to be made available to enable the cooperative associations to carry out their own plans of marketing. The \$500,000,000 revolving fund made available undoubtedly is adequate to carry out any sane plan of marketing that may be determined upon.

It goes without saying that if the board is in sympathy and will carry out the mandate in the declaration of policy, it will approve any sane plan proposed by the cooperative associations or by its agents, the stabilization corporations. Otherwise this bill, as all others, would fail to accomplish the desired results.

If the plan to equalize the price at the cost of the producers, as has in the past been suggested in the McNary-Haugen bills, by their legislative representatives, and the cost of equalizing shall be borne by the producers, it can of course be accomplished under it.

First, in order that it may be worked out equitably the producers must have full control over the marketing of their commodities. The \$500,000,000 revolving fund will not only insure it adequate financing, it will be an incentive to the producers to organize into cooperative associations; in other words, it will be the function of the board to encourage effective cooperative associations, to the extent of giving producers control of the whole production of their respective commodities. It will be up to the producers to determine upon a wise and judicious plan so as to enable them to take advantage of the benefits afforded by the bill.

I believe it is safe to say that with past experiences and results obtained under plans heretofore tried out, resulting in losses and a heavy drain on the producers, and absolutely void of beneficial results—such as for example heeding the suggestions of men or committees long on promise and guaranties to

effectively merchandise the whole production of commodities and short on fulfillment, resulting in expenditure by the farmers of hundreds of thousands of dollars consumed in attorneys' fees, office rents, fixtures, promotions, and other expenses incidental to organization or a program to acquire ownership by purchase of obsolete and antiquated terminal elevators and other useless equipment about as useful as a livery stable to-day or fifth wheel to a wagon, resulting, as I understand, in one instance, in the loss of two or three million dollars, or to follow plans as in the past of the promoters to acquire packing plants and other facilities, resulting in loss of confidence, causing not only discontent but serious financial losses.

It goes without saying if the revolving fund is used for purchase or construction of obsolete or useless equipment or in wildcat promotion, of course, the desired results can not be obtained.

But with the experience of the past, which has undoubtedly demonstrated with absolute finality the impracticability of such procedure, it is fair to assume that the producers will exercise better judgment, and that the board, vested with the power and authority, appointed by the President, by and with the advice and consent of the Senate, will be persons of experience, integrity, ability, and will exercise good judgment in extending loans and safeguard against the approval of any such plans.

If the make-up of the board is along that line and the cooperative associations take full control of the marketing of the whole commodity, it will have before it numerous plans set out in the hearings, in the bills introduced, and in the debates.

If the producers determine upon making the tariff effective as indicated in the above letter, by the equalization plan, and by providing that the cost of equalizing the price shall be borne by the commodity instead of a subsidy at the expense of the Federal Treasury, it would first estimate the production and the exportable surplus, the tariff, and other costs incidental to the importation of the competitive commodity, which information can be readily supplied by the Department of Agriculture; tariff and rate schedules will be available at the Interstate Commerce Commission.

For example, if it should find that the crop-year production of wheat to be 800,000,000 bushels and that 600,000,000 bushels are required for domestic consumption, which would leave 200,000,000 bushels for export, it would prepare and submit its plan to the board for marketing the commodity as generally marketed by organized industry. It would determine to build up the price back of the tariff wall and to stabilize the price at the American price level—the world price plus the tariff and expenses incidental to importation of the competitive commodity—a price which the Tariff Commission has determined American producers are entitled to, a price adequate to protect the American producers against foreign commodities produced under lower standards of living at a lower cost. For example, assuming Canada to be our competitor in wheat and its price being the world price at \$1. It would add to it the 42 cents tariff—determined to be the just rate to protect the American producer against the foreign commodity—and assuming the freight and other incidental costs to be 8 cents, would make the American price level \$1.50, and stabilize the price at the American price level of \$1.50, to meet domestic requirements, and sell the 200,000,000 bushels exportable surplus at the world price of \$1, and to equalize the price and to pay producers the average price, and that the cost of equalizing the price should be paid ratably by the producers, and that each producer shall receive his proportionate share of the profits therefrom, to be accomplished by establishing the price at the American price level at \$1.50 as indicated, and to withhold from the stabilized price an amount equivalent to the cost of equalizing—that is, instead of paying the producer \$1.50, the established price—it might determine to pay \$1.30, which would be 30 cents, or 30 per cent increase above the then current price.

In other words, to begin with, a profit of 30 cents a bushel, or a total of \$240,000,000 gain, and to withhold 20 cents a bushel, or \$160,000,000, to be proportionately distributed at the close of the marketing period. If the plan is approved by the board it will be supplied with adequate funds to carry the plan through. And if so, it would, if it had control of the whole crop, establish the price for the 800,000,000 bushels at \$1.50 a bushel, or a total of \$1,200,000,000; in other words \$400,000,000 above the then current price. It would sell 600,000,000 bushels for domestic consumption at a gain of 50 cents a bushel, a profit on the 600,000,000 bushels of \$300,000,000. The 200,000,000 bushels sold for export would be at 50 cents a bushel below the established price, or a total of \$100,000,000, to be deducted from the \$160,000,000 withheld for the purpose of equalizing the price, which would leave to the credit of the producers \$60,-

000,000 to be ratably distributed to the producers, and which would be 7½ cents a bushel, to be added to the 30-cent increase paid in cash, and a net profit of 37½ cents a bushel.

There is nothing new. It is in accordance with established policies of organized industry, and in many instances the established policies of the cooperative association. In many cases it makes advances and withholds in part the estimated return, and debits the producers with their ratable share of costs and credits them with their proportionate share of balance unpaid. It can be worked out either by withholding part of the established price or by collecting the estimated amount required to equalize the price.

A number of debenture plans have been suggested and bills introduced in the Senate and House which would result in making the tariff, in part, effective at the expense of the Federal Treasury instead of the producers contributing their ratable share of the cost of equalizing the price, and receiving their proportionate share of the profits therefrom as provided for in the equalization-fee plan; in other words, a subsidy by the Federal Government, to be paid in debentures, which might be applied in payment of duties on imported articles, not directly out of the Federal Treasury, after having been paid into the Federal Treasury, but to capture it on the way to the Treasury, which in either case would be at the expense of the Treasury. To thus make the tariff effective would, of course, result in a heavy

drain upon the Federal Treasury. Unfortunately, the burden of taxation is already top-heavy, and as our Government can not be successfully operated without revenue it has been suggested that producers of commodities protected under our protective-tariff system shall be paid in debentures to the extent of one-half of the tariff rate, the tariff rate established by Congress and found just and fair to the American producers by the Tariff Commission, as protection against foreign products produced at a lower cost and under lower standards of living.

The question is, If the domestic producers are entitled to a just and fair rate of duty thus established, why pay only one-half of what has been determined a just and fair protective duty, especially if it can be made effective to a greater extent through the equalization plan without expense to the Government? The equalization plan, as previously stated, can be accomplished under the bill either through withholding from the established price the amount required to equalize the price or by agreements entered into for collecting an amount required to equalize the price as provided in the two McNary-Haugen bills twice passed by both branches of Congress, and in the last Congress by a two-thirds vote in the Senate and in the House by a majority of 84, only 13 short of a two-thirds vote in the House.

A comparison between the benefits to the producers under the equalization plan and the debenture plan might be of interest.

Commodity	Years	Debenture plan			Equalization plan	
		Gain in price of whole production	Cost to Federal Treasury	Net gain after deducting cost to Government	Net gain after deducting equalization fees	Difference in favor of equalization plan
Wheat.....	5 years, 1924-1928.....	\$895,079,930	\$182,614,710	\$712,465,200	\$1,338,765,312	\$626,300,092
Corn.....	do.....	1,015,862,925	6,480,500	1,009,382,425	2,171,092,738	1,161,720,313
Total.....		1,910,942,855	189,095,210	1,721,847,625	3,509,858,050	1,788,010,425
Beef ¹	3 years, 1924-1926.....	339,435,000	1,560,000	337,875,000	1,088,144,800	750,269,800
Butter ¹	do.....	284,005,960	949,260	283,056,700	353,397,742	70,341,042
Total.....		623,440,960	2,509,260	620,931,700	1,441,542,542	820,610,842
Grand total.....		2,534,383,815	191,604,470	2,342,779,325	4,951,400,592	2,608,621,267

¹ Beef and butter shown for 3 years only is in later years net imports far exceeded exports.

It will be noted that, had the wheat and corn been marketed during the five years 1924-1928 and the beef and butter for the three years 1924-1926 under the debenture plan, the benefits to the producers would have been \$2,534,383,815, at a cost to the Government in debentures of \$189,095,210, or a net gain under this plan, after deduction of the cost to the Government, would have been \$1,721,847,625, whereas the benefits under the equalization plan for the same products and for the same years would have been \$4,951,400,592, without cost to the Government. In other words, under the equalization plan the profit to the producers of \$4,951,400,592, after deduction of the equalization fees and the profit to the producers under the debenture plan of \$2,534,383,815, and if the cost to the Government were deducted the net profit would be only \$2,342,779,325. In other words, the profits under the equalization plan after deducting the equalization fee would have been \$4,951,400,592, without one cent cost to the Government, and under the debenture plan the benefit to the producers after deducting the cost to the Government in debentures of \$191,604,470 would have been only \$2,342,779,325, or \$2,608,621,267 less than under the equalization plan.

With \$2,417,016,777 net gain to the producers under the equalization plan without expense to the Government over the net gain to the producers under the debenture plan at a cost of \$191,604,470 to the Federal Government, there should be no question in the mind of the board and the producers in respect to what plan to follow.

The contention has been made on various occasions that loans and certain other privileges are not extended to all producers. True, it does not extend the loan privileges to all, regardless of their personal interests, so as to include anybody whose interests might be adverse to the successful operation, whose major interest might be along other lines, and whose chief interest might be in personal profits and the overthrow of the plan rather than to give the farmer the benefits made possible under the bill.

In section 5 the board is authorized to make loans to any cooperative association to assist in effective merchandising of agricultural commodities and food products thereof, for the construction, purchase, or lease of storage or physical marketing facilities, formation of clearing-house associations, for insurance of cooperative associations against price declines, extending

membership in cooperative associations by educative methods, and in section 6 (b) the board is authorized to make advances to the stabilization corporations for working capital, for purchasing, storing, merchandising, or otherwise disposing of the commodity, the rate of interest to be fixed by the board, which makes loans available to all producers of agricultural commodities through their respective organizations.

The committee gave much thought and consideration to the various definitions of producers of agricultural commodities so as to include the so-called real dirt farmers. Recognizing that no real producers should be excluded from the benefits of the stabilization corporations, it defined such producers, which it is believed will exclude profiteers, gamblers, and those refusing to open their books, and such as have so liberally expended funds in their vigorous and persistent efforts to defeat the bill.

Section 8 (b) of the bill provides as follows:

As used in this act the term "cooperative association" means any association qualified under the act entitled "An act to authorize the association of producers of agricultural products," approved February 18, 1922—

The Capper-Volstead Act, which limits dividends on stock to not in excess of 8 per cent per annum and permits dealing in products of nonmembers equivalent to the amount handled by its members.

It further provides:

Whenever in the judgment of the board the producers of any agricultural commodity are not organized into cooperative associations so extensively as to render such cooperative associations representative of the commodity, then the privileges, assistance, and authority available under this act to cooperative associations shall also be available to other associations and corporations producer owned and producer controlled and organized for and actually engaged in the marketing of the agricultural commodity. No such association or corporation shall be held to be producer owned and producer controlled unless owned and controlled by cooperative associations as above defined and/or by individuals engaged as original producers of the agricultural commodity.

Which undoubtedly makes it clear that the door is wide open to associations and corporations actually engaged in marketing of agricultural commodities owned and controlled by cooperative

associations or by individuals engaged as original producers of agricultural commodities.

The money made available from the revolving fund will assist not only producers of large exportable surpluses, but it will make it possible for the producers of all agricultural commodities to withhold from the market to steady the flow to meet the requirements, so as to prevent gluts and seasonal surpluses; in other words, to market their commodities as required in an orderly manner, so as to minimize speculation, wasteful methods of distribution, and limiting undue and excessive price fluctuations.

Although it may not accomplish all that is desired, it provides adequate machinery and funds to make it possible to do all and even more if taken advantage of than contemplated in previous bills. It is up to the producers of agricultural commodities in cooperation with the board, as previously stated, to devise their own methods to carry out the policy declared, even stronger and more favorable to the producer than the one declared in previous bills. If the benefits are taken advantage of, they will be in position to market their own commodities in their own way. I have confidence in their good judgment and trust that the act may be judiciously and advantageously administered.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman yields back 21 minutes.

Mr. ASWELL. Mr. Chairman, I yield 45 minutes to the gentleman from Kentucky [Mr. KINCHELOE].

The CHAIRMAN (Mr. VINCENT of Michigan). The gentleman from Kentucky is recognized for 45 minutes.

Mr. KINCHELOE. Mr. Chairman and members of the committee, I am sure there is not a Member of this House who has tried to be a student of the agricultural problems of this Nation but will agree that the solution of same is not only the biggest thing that this Government has undertaken to do in the last half a century, but it is the most important thing. I think that the life of this Nation economically depends absolutely upon the rehabilitation of agriculture in this country.

I have had the honor to be a member of the Committee on Agriculture for several years. I have sat around that committee table and have heard every thought expressed and every ideal developed as to how this job should be performed. The Committee on Agriculture came back here shortly after the President fixed the opening of the Congress on the 15th of this month, and we conducted other hearings, and, in my judgment, they were the most constructive hearings that the committee ever conducted.

We have had before us some of the biggest men in this Nation, students of agriculture; we have had before us the heads of the biggest cooperative associations this country has ever had; and after these hearings were concluded the majority members of the committee were kind enough and generous enough in the selection of the subcommittee to draft this bill to invite the members of the minority party in with them. They did not keep them all on the outside, as the Republican members of the Committee on Ways and Means have done to the Democratic members of the Committee on Ways and Means in the consideration of the tariff bill. [Applause.] There has not been a thought of partisanship in the framing of this bill. Therefore, after the subcommittee had framed its bill, it reported it back to the full committee, and in the full committee we spent days in the consideration of the draft which the subcommittee had submitted, and, with the exception of 2 votes, every member of the Committee on Agriculture indorsed this bill.

The solution of the farm relief problem is not only most important, but most intricate. It is so intricate that you can meet yourself coming back in this proposition more times than you can do in the consideration of any other problem pending before the Nation.

I beg you will indulge me while I give you my views on a few details of this bill. There will be two things necessary if this bill is to be a success. One is that you have got to have a sympathetic farm board, a farm board with brains and a farm board with money; and then, in order that that farm board may succeed, you have also got to have cooperative marketing organizations. If you do not have a sympathetic board for agriculture this bill will fall of its own weight. [Applause.]

This is essentially a marketing bill. It does not intend to do anything but stabilize—and I say that advisedly—the production and the marketing and the distribution of farm products, whether at home or abroad. The purpose of this bill, and the only purpose of it, is to put agriculture on the same commercial basis as the other industries of this country.

I desire in my own way, if you will indulge me, to set up a picture of this bill if it is written into law as outlined here. First, there is a farm board consisting of seven members. Six

of those seven members are to be appointed by the President of the United States, regardless of politics or regional localities. Five of these members are to be appointed—two for two years, two for four years, and one for six years—at \$12,000 a year. The Secretary of Agriculture is to be an ex-officio member of this board. As to the chairman of this board, we do not fix his term. That is to be fixed by the President. We do not fix his salary. That is also to be fixed by the President.

I want to give the President full power to go out and get the biggest man available in this country, provided he is the right kind of a man to be chairman of this board.

This board will deal with marketing situations. We propose to give this board a revolving fund of \$500,000,000 to be used in its operations. If you will read this bill carefully, you will notice it is an authorization and direction to the Committee on Appropriations to make all of this \$500,000,000 appropriation available at once to the board.

That \$500,000,000 is to be used by the board for four purposes, and I want to take them up in the order of their importance. First, to make loans to cooperative marketing associations of the various commodities. For what purpose can they borrow this money? First, for the effective merchandising of the agricultural commodities and the food products thereof. Second, the construction or acquisition by purchase and lease of storage or marketing facilities. There is a limitation in that to the effect that these cooperative-marketing organizations can only borrow 80 per cent of the value of the facilities, and they can not borrow any money for the building of facilities if there are suitable facilities already existing which are available either by rent or purchase in that vicinity. Third, they can borrow for formation of clearing-house associations. Fourth—and in my judgment this is one of the most important provisions of the bill which I earnestly insisted should go into it—extending the membership of cooperative organizations applying for loans by educating the producers of the commodities as to the advantages of marketing associations for that commodity. We all know that there are not sufficient cooperative-marketing associations in this country to handle all the commodities. I have in mind cotton and tobacco. So far as I know there are no tobacco cooperatives in the United States.

I want that amendment to remain in the bill so that the cooperative association connected with each commodity can come to this board and borrow money for the purpose of educating the farmer who is out making a living and does not know what this bill is and will not know what it is unless it is shown to him beyond a doubt that it is to his advantage to go into a cooperative marketing association. So they can loan, as I say, to a cooperative marketing association for that purpose.

Secondly, they can loan to a stabilization corporation for each commodity. The bill provides for the creation of only one stabilization corporation for each commodity. It further provides that if the different types of the same commodity are so different in use or marketing methods that the marketing of them should require separate treatment, then there can be a stabilization corporation for each one of those different types. It is also provided that if the marketing of two or more commodities is sufficiently similar they can group them for the purpose of establishing a stabilization corporation. These stabilization corporations are to be farmer owned and farmer controlled. A stabilization corporation, after it is organized, can come and borrow money from this board. The stabilization corporation can borrow on each commodity for working capital. To do what? To enable it to purchase, store, merchandise, or otherwise dispose of that commodity.

You have heard it said we are going to get the world's price plus the tariff. Of course, anybody who reads knows that a protective tariff is not of advantage to the producers of great exportable surpluses. Everybody knows that such a tariff is not worth the paper it is written on. That has been fully demonstrated by the tariff of 42 cents a bushel on wheat. Everybody knows that is a miller's tariff. Everybody knows that the millers of Minneapolis or other great millers can bring wheat in under bond by paying the tariff of 42 cents a bushel. Then, if they mix as much as 30 per cent of American wheat with the Canadian wheat and grind it into flour and its by-products and export it, and they go back to the same customhouse and draw down 99 cents on every dollar's worth of tariff they paid on wheat. But with this stabilization corporation created and established it will be in a position to handle the surplus. This stabilization corporation can borrow funds with which to go out in the market and buy the surplus; if necessary it can take it off the market and store it. It can then do one of two things with the surplus; either feed it through the markets of the world, gradually, as there is a world demand for it, or feed it back into the markets of this country when there is a lean year on that product in this country. I think that with the right

kind of a stabilization corporation the Government would not only not lose a dollar loaned to such a stabilization corporation, but that the stabilization corporation will make money. Why? Because that stabilization corporation is not ever going to buy, if it exercises its functions properly, except in a depressed market and at a depressed price, because that is the only occasion for its ever going in the market and buying.

If they buy in a depressed market at a depressed price the effect is bound to be that of stimulating the price and that will be done immediately. Then, of course, the stabilization corporation would sell in a stimulated market and always buy in a depressed market. At the same time it would stabilize the agricultural products of which we raise a surplus in this country. I think that will be of inestimable benefit to the stabilization of those products of which we raise an exportable surplus in this country, such as wheat, cotton, and tobacco, and, as I say, the loan will be perfectly sound, the security will be perfectly sound and if the corporation is run in a businesslike way it will always make money.

Mr. MORTON D. HULL. However, it is contemplated in this bill that the stabilization companies may lose money.

Mr. KINCHELOE. That is true, but if they do lose money then the first money they do make is to be used to pay back that loss, and if they finally go on the rocks and go into bankruptcy the Government of the United States loses the money it has loaned.

Mr. MORTON D. HULL. That is paragraph (d) on page 12, is it not?

Mr. KINCHELOE. Yes; I understand what the gentleman is talking about.

Mr. SIROVICH. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. SIROVICH. How can a stabilization corporation lose money when it buys in a depressed market and sells in an inflated market?

Mr. KINCHELOE. That is exactly the point I had in mind. I do not see how they can lose money if they have the right kind of business men at the head of them and I do not think they ought to lose money if they buy in a depressed market at a depressed price. However, whoever sells then will lose; in other words, whoever sells then will not get the benefit of the stimulated price.

Mr. WILLIAM E. HULL. Will the farmer lose or the cooperative association?

Mr. KINCHELOE. Whoever sells the commodity.

Mr. WILLIAM E. HULL. It would be the cooperative association, would it not?

Mr. KINCHELOE. If it was the cooperative which sold.

Mr. WRIGHT. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. WRIGHT. Has the gentleman given any thought to the proposition of requiring that the six members of this board be appointed from different sections of the country, so that every commodity will be represented?

Mr. KINCHELOE. Yes; that was talked over very extensively by the committee, and the committee came to the conclusion that geography would have nothing to do with the ability of such a gentleman. We do not want to hamstring the President. I want to give him all the power that can be given to him, and I want him to assume all the responsibility.

Mr. WRIGHT. Does not the gentleman think geography would have something to do with a man's knowledge of a particular crop?

Mr. KINCHELOE. Not necessarily so.

Mr. WRIGHT. In other words, what would a man from certain sections of the country know about tobacco?

Mr. KINCHELOE. Some man who did not live in a part of the country where any tobacco was grown might know a great deal more about it than some other man who lived there. However, so far as I am concerned, I am going to leave that with the President of the United States and let him select his own board, and then he will be absolutely responsible for the appointment of the board, and the board responsible to him. The third loan that may come out of this revolving fund is to cooperative marketing associations for the insurance of the association against price decline.

Of course, this applies only to commodities that are regularly traded in upon an exchange; for instance, cotton; and I will say to the cotton gentlemen that if you will read that provision you will see that if you have enough cooperative marketing associations of cotton in this country to go and borrow this money for the purpose of insuring them against loss in price, this bill will do the cotton farmer more good, in my judgment, than the raiser of any other commodity in the United States.

Mr. SUMNERS of Texas. Will the gentleman explain how that will come about?

Mr. KINCHELOE. No; because I do not profess to know anything about cotton, and I do not know anything about insurance.

Mr. RANKIN. Does the gentleman have any facts upon which to base that statement?

Mr. KINCHELOE. I have the common-sense fact that if you can get a loan from this board for the purpose of being insured against price decline I do not see where you take much risk.

Mr. RANKIN. A great many fellows have tampered with cotton with that view to start with.

Mr. KINCHELOE. But they have never had any funds from the Federal Government behind them or had access to a board to get loans for that purpose.

I do not want to yield any further right now, because I do not profess to know anything about cotton.

Mr. RANKIN. I would be pleased to hear somebody discuss that phase of the bill who knows the cotton situation.

Mr. KINCHELOE. I presume there are many Members here who will be able to do it.

The fourth is to assist in forming producer-controlled clearing-house associations adapted to effecting the economic distribution of the agricultural commodities among the various markets and to minimizing waste and loss in the marketing of the commodity.

I think this provision is going to help the perishable fruit growers of every kind and character more than anything else.

We had representatives of the California Fruit Growers before us and they detailed how sensitive this market is. One of them illustrated that if there was a demand in the city of New York for five carloads of cherries on a certain day from the Pacific coast, that as long as they put those five carloads of cherries there and supplied just the demand, they got a splendid price. They said that if they put the sixth carload there that day they brought the price down 25 per cent, and if they put the seventh carload there that day they brought the price down 50 per cent.

Mr. KETCHAM. Will the gentleman yield right at that point?

Mr. KINCHELOE. Yes.

Mr. KETCHAM. What was the benefit to the ultimate consumer when the price reduction occurred?

Mr. KINCHELOE. Well, of course, the ultimate consumer—

Mr. KETCHAM. Was there any reduction to the ultimate consumer?

Mr. KINCHELOE. No; I do not think there was to the ultimate consumer, but there was to the fellow who was handling the cherries.

Mr. LAGUARDIA. There never is any such reduction to the ultimate consumer.

Mr. KINCHELOE. The idea is that if you have this clearing-house association you can have your producer-controlled facilities, and if there is only a demand for five carloads of cherries in one day, they can take the other two carloads and hold them over through their cold-storage facilities and wait for the market of the next day.

I think this is going to be a splendid provision so far as the perishable fruits of this country are concerned. I do not see any great necessity for a clearing-house association for non-perishable agricultural products, although there may be.

But, gentlemen, I am not fooling myself about this bill. I think it is a sound marketing bill; but if it does stimulate the price to the farmer, it is not going to help him if this Congress comes in with an increased tariff on manufactured products upon which there is already a practically prohibitive tariff. When you raise the price that the farmer has to pay for manufactured products for himself, his family, his home, and his farm, I do not care if this bill does stimulate the price the farmer is going to get for his agricultural products, you will add insult to injury to him. [Applause.]

And yet I want it understood that I am not a free trader, and never was. The Democratic Party never declared for free trade in its platform, but I do say this to you gentlemen on the Republican side, I think you will fare well if you follow the admonition of the President of the United States in his message the other day with respect to this proposition. I commend it to you and especially to the Republican members of the Committee on Ways and Means. [Applause.]

Mr. RANKIN. Will it help the farmer any if the present prohibitive tariff rates on manufactured articles to which the gentleman refers remain?

Mr. KINCHELOE. Certainly not, if they are increased.

Mr. RANKIN. Then this bill, under the present law, or unless the tariff is reduced, will not help the farmers any.

Mr. KINCHELOE. I think it will help the farmers a great deal. I think there are some tariffs on farm products of which we do not raise a surplus that would be of benefit to the farmer.

I believe in a competitive tariff, and I believe that the people of this country, regardless of party, believe that the tariff ought not to be a political issue, and are also coming to the conclusion that a prohibitive tariff on any product is the most iniquitous piece of legislation that ever went on the statute books of the United States from an American Congress. [Applause.]

When this board is set up and loans are made for these four purposes, I can not see why it will not stabilize the price of the products of the farmers of this country, if, as I said in the beginning, if you have a sympathetic board, and if you have sufficient cooperative marketing associations in this country to deal with these products.

Now, they talk about overproduction in this country. We had before our committee Mr. Stone, of the Burley Tobacco Growers' Association, which I think was one of the biggest cooperatives in this country, and he said that during the five years that the Burley Cooperative Association operated there was an increase of production of Burley tobacco, but that increase did not come from the members, it came from those who were on the outside, who not only got the benefit of the increase in the price of the product and money cash by reason of 65 or 70 per cent of the growers being in the association—they were not under the guiding hand or the educational influences of the heads of the cooperatives, and they were the ones that increased the acreage of Burley tobacco.

I can not understand with a cooperative association who have at all times access to the councils of this board, to a sympathetic board, who have that access through the commodity committee of seven members of each commodity elected by the members of that commodity, two of which shall be expert handlers or processors, with \$500,000,000 revolving fund, why it will not be a sound piece of legislation. I believe it will redound to the benefit of the farmer and stabilize agriculture in the same way that the other industrial commodities of the country are stabilized, providing—and I repeat—that you do not come in with a tariff that raises the tariff on articles that the farmer must purchase.

Mr. MOORE of Virginia. Will the gentleman yield for me to ask a question in reference to a matter which the gentleman and I were discussing before he took the floor.

Has the committee considered the matter of interest on the loans? I ask it because interest is going to be an important question.

Mr. KINCHELOE. The committee discussed that at length. I do not think any Member of Congress would want the board to loan money cheaper than the Government could borrow it. If you fix a maximum rate I think that would be the minimum rate. Then the producer of some commodity comes to borrow money. Suppose you fix it at 4 per cent. I am afraid that would be the maximum, and here comes a representative from an outstanding cooperative association and says we need the money badly and we want to borrow. "Well," the board will say, "we would like to loan you the money, but the Government can not borrow it at 4 per cent."

Mr. MOORE of Virginia. Is not the Government able to do that? That is one of the most urgent problems we have.

Mr. KINCHELOE. I presume so; but if the Government loaned money cheaper than it could borrow it, that difference would be a subsidy.

Mr. MOORE of Virginia. The term "subsidy" does not frighten me. I am anxious to assist the farmer, and I would be willing to vote for an extremely low rate of interest, or even go to the point of relieving the loan from the payment of interest.

Mr. KINCHELOE. So am I. I am basing the success of the bill on the sympathetic board. I would be willing to loan to the cooperative association as cheap as the Government could borrow it.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. LaGUARDIA. Is it the plan of this bill to raise the money by a bond issue, or by a direct appropriation? Do you intend to have a bond issue for this \$500,000,000, or appropriate it directly?

Mr. KINCHELOE. It is the intention of the bill to have the Committee on Appropriations, as soon as possible after the bill becomes a law, appropriate \$500,000,000 out of the Treasury.

Mr. LaGUARDIA. That being so, and the Government keeping the funds in the bank at 2 per cent, why could not they loan it at 2 per cent?

Mr. KINCHELOE. I am interested in the establishment of this sympathetic board to try and help the farmer, and I can not conceive why the board would not loan to the farmer

at as cheap a rate of interest as sound and good business judgment would dictate.

Mr. LaGUARDIA. That is all right, but if you are going to loan money so that you will not lose any money on the interest, the farmer is in no better position than he is now.

Mr. KINCHELOE. I have great respect for the gentleman's knowledge as a farmer.

Mr. LaGUARDIA. That is all right; I am only trying to show the farmers what they are up against.

Mr. STEVENSON. Will the gentleman yield?

Mr. KINCHELOE. I yield.

Mr. STEVENSON. You are giving broad, wide powers to this board, and you are willing to trust them to deal with the details; as to the rate of interest, if you find the board deals harshly with the farmers, it will be time enough then to correct it.

Mr. KINCHELOE. We are going to leave it to the board to do the right thing, and I think they will deal fairly with the farmer.

Mr. HASTINGS. Will the gentleman yield?

Mr. KINCHELOE. I will.

Mr. HASTINGS. Unfortunately, I have not been in the Chamber while the gentleman has been speaking, and he may have answered this question. I have been trying to analyze this bill, and I want to ask a few questions. Are advances authorized under subdivision 3 of section 5 of the cooperative associations to purchase commodities? The language of the bill is:

(1) The effective merchandising of agricultural commodities and food products thereof.

Also, under subdivision (b) of section 6 advances are authorized to be made to the stabilization corporation. I want to know whether these advances in the first place can be made to cooperative associations, and second, to the stabilization corporation for the purchase or sale or merchandising of commodities other than those of the members of the cooperative associations.

Mr. KINCHELOE. Oh, no. Under (b) of subsection (1) of section 5, the subsection to which the gentleman first referred, it is not contemplated that the cooperative associations are going to borrow money from the board for the purpose of taking care of products owned by nonmembers.

Mr. HASTINGS. The language of the bill is:

(1) The effective merchandising of agricultural commodities and food products thereof.

It does not say whether that is of nonmembers or not. Neither does subsection (b) of section 6.

Mr. KINCHELOE. There is a difference. The stabilization corporation will have the power to take this money they borrow from the board and buy the commodity anywhere they can buy it the cheapest.

Mr. HASTINGS. That is the committee's interpretation of subsection (b) of section 6?

Mr. KINCHELOE. Yes; but the loan to the cooperatives of subsection (1) of section 5 is for the purpose of financing the cooperative to take care of the products of its own members, not of those outside.

Mr. BRAND of Georgia. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. BRAND of Georgia. How will it help the cotton or the wheat farmer who is not a member of the cooperative association?

Mr. KINCHELOE. I do not think it will help him at all, unless the stabilization corporation goes out and buys enough surplus of that particular product and takes it off the market and thus stimulates the price, and then the nonmember would get the benefit of the increased price.

Mr. BRAND of Georgia. Not 7 per cent of the cotton farmers in Georgia are members of the cooperative association of my State. What is to become of the other 93 per cent?

Mr. KINCHELOE. If they do not form cooperative associations large enough to handle and market their products, this will not help them at all except as stated before.

Mr. BRAND of Georgia. Do you provide in this bill for any machinery to form other cooperative associations?

Mr. KINCHELOE. Yes.

Mr. BRAND of Georgia. Does the bill give us authority to form other cooperatives?

Mr. KINCHELOE. Subsection (4) provides for—

extending the membership of the cooperative association applying for the loan by educating the producers of the commodity handled by the association in the advantages of cooperative marketing of that commodity.

Mr. BRAND of Georgia. Yes; but the gentleman says that unless a man is a member of one of these associations he gets no benefit from this law.

Mr. KINCHELOE. That is in subsection (1) of section 5. The question of the gentleman from Oklahoma was whether the cooperatives under that subsection would have the right to borrow money and buy products from farmers who were not members of the association.

Mr. BRAND of Georgia. Then let me ask my own question and eliminate the question of the gentleman from Oklahoma and the gentleman's answer to it. Suppose there are 100 farmers in my county who belong to this cooperative association and that there are 900 who do not belong to it.

Mr. KINCHELOE. Nine hundred in the community?

Mr. BRAND of Georgia. In the county. Do those 900 non-members get any benefits under the bill?

Mr. KINCHELOE. None; unless, as I have said before, the stabilization corporation buys enough surplus cotton off the market to stimulate the price. In other words, this board is not going to deal with anybody except cooperatives and representatives of cooperative associations.

Mr. BRAND of Georgia. And who are the representatives of the cooperative marketing associations?

Mr. KINCHELOE. The advisory cooperative committees will be intermediaries between the cooperatives and the board.

Mr. McKEOWN. The law already provides how these cooperative associations shall be formed.

Mr. KINCHELOE. Yes; under the Capper-Volstead Act.

Mr. McKEOWN. Is any provision made by which the Government of the United States or this board may regulate the salaries of the officers and the expenses of these organizations to whom they are to lend this money?

Mr. KINCHELOE. None at all. It is in the discretion of the board as to whether this representative cooperative marketing association is an upstanding one, whether it is able to handle the crops, and whether the loan is safe. The board has no power to go out and say that a certain man as president of the association is getting too much salary or that he is incompetent. That is none of their business.

Mr. McKEOWN. The gentleman means to say that this law will protect the Government against the cooperative organizations that go out and pay enormous salaries to their officers? It ought to take that into consideration.

Mr. KINCHELOE. The board can protect itself by not making the loan.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. KETCHAM. If the gentleman from Oklahoma will give his attention, I read this language from the bill, on page 7, line 20:

No loan shall be made under this subdivision unless, in the opinion of the board, the loan is in furtherance of the policy declared in section 1 and the cooperative association applying for the loan has an organization and management, and business policies, of such character as to insure the reasonable safety of the loan.

Mr. McKEOWN. Is there any provision by which the Government of the United States can audit the books of these organizations before they turn this money over?

Mr. KINCHELOE. They can make that a condition precedent to a loan.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. HARE. Suppose there are 50 or 100 cooperative organizations handling the same commodity of wheat or cotton. Under this bill would the board be authorized or permitted to loan each and every one of these cooperative associations funds for the purchase and handling and storing of that commodity?

Mr. KINCHELOE. Does the gentleman mean of the commodity of their own members?

Mr. HARE. Probably I can illustrate what I am driving at in this way: Suppose there are 500 of these cooperative associations in the United States and that these 500 cooperative associations should apply to the board for a loan. Would this board be in a position to make loans to each and every one of them?

Mr. KINCHELOE. If in the judgment of the board they have sufficient assets to make those loans good, the answer is yes; just as well to the 500 as to 1, if their securities are good. If those 500 form a stabilization corporation, then under this bill you will only have one stabilization corporation.

Mr. HARE. If the board is going to loan to every cooperative association that handles a particular commodity, would there not be so many cooperative associations that they would be competitors with each other just as they are to-day?

Mr. KINCHELOE. If they handle one commodity there would be the same amount of commodity handled, whether it were handled by 1 or by 500.

Mr. HARE. The funds handled by 1 cooperative corporation would be much less than those handled by 500.

Mr. KINCHELOE. The board might say there is too much overhead and might say, "If you will cooperate you can get this money." The board has that power.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield there?

Mr. KINCHELOE. Yes.

Mr. JOHNSON of Texas. I was very much impressed with the statement which the gentleman made earlier in his remarks when he said that the success of this bill would depend on the sympathetic action of the board.

Mr. KINCHELOE. Yes; that is essential.

Mr. JOHNSON of Texas. The gentleman will remember that in the last Congress we voted for a bill which provided that the President should make his appointments on this board from names submitted by agricultural associations, thereby insuring that those named should be sympathetic with the interests of agriculture. Is there anything in this bill that would safeguard that?

Mr. KINCHELOE. Not except the discretion of the President of the United States. Of course, they must be confirmed by the Senate.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Certainly.

Mr. ROMJUE. Suppose \$100,000 is loaned to one cooperative or marketing association. How far does the loan go as affecting each individual member?

Mr. KINCHELOE. It will not affect individual members at all. If the cooperative never has sufficient funds to pay back, of course, the Government loses.

Mr. JOHNSON of Texas. The first necessity, then, is a sympathetic board, and the second is sympathetic treatment by the cooperative associations.

Mr. KINCHELOE. Yes.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. BRIGGS. It is proposed that this appropriation shall be provided without unnecessary delay?

Mr. KINCHELOE. Yes.

Mr. BRIGGS. Is it contemplated that that appropriation will be made at this session of Congress?

Mr. KINCHELOE. I will read it. That is covered in section 5, which provides:

There is hereby authorized to be appropriated the sum of \$500,000,000 which shall be made available by the Congress as soon as practicable after the approval of this act and shall constitute a revolving fund to be administered by the board.

Mr. BRIGGS. Has the gentleman any assurance that it will be made at this session of Congress?

Mr. KINCHELOE. No. We have no assurance from the Committee on Appropriations, but we will put it up to them if this bill becomes a law.

Mr. WILLIAMS of Illinois. Mr. Chairman, will the gentleman yield there?

Mr. KINCHELOE. Yes.

Mr. WILLIAMS of Illinois. I will say to the gentleman from Texas that the committee has all the assurance we need that the appropriation will be made available as soon as the bill becomes effective.

Mr. BRIGGS. That is what I wanted to know. Unless the money is promptly forthcoming, the board can not function.

Mr. WILLIAMS of Illinois. That is all the committee can do.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. RANKIN. Can not these agricultural associations under the present law procure credit from the intermediate credit banks?

Mr. KINCHELOE. Yes; but under that law the time allowed is not long enough. It is not sufficiently flexible.

Mr. RANKIN. This bill does not provide the length of time these loans are to run?

Mr. KINCHELOE. No.

Mr. JOHNSON of Texas. The people in the cotton-producing sections have hitherto been loath to join these cooperative associations. I am afraid that they will continue to be in that state of mind unless they are assured that these cooperative associations will be so conducted that the overhead will not be too great and that the farmers will be equitably treated. Should not the bill provide that there should be some governmental

control or supervision over these associations, so that the planters will have faith in them and will be willing to join them?

Mr. KINCHELOE. You have the most effective power lodged in this board to withhold loans until they are known to be responsible associations.

Mr. JOHNSON of Texas. If the Government will assure the planters that these cooperatives will be under the supervision of the Government, so that they will receive fair treatment, then the planters will be encouraged to form those organizations or join those that are already formed. The farm loan associations are not directly controlled by the Government, but they are under some governmental supervision for their control. The farmers should have faith in these cooperatives, otherwise I fear the farmers will not join them.

Mr. KINCHELOE. The Government can not guarantee that these farmers' cooperatives are on a sound basis.

Mr. JOHNSON of Texas. Could not some machinery be provided whereby these cooperatives would be under Government supervision, so that the planters will have confidence in them and join them?

Mr. KINCHELOE. If loans are withheld, the board can tell those associations why loans have been withheld.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. ASWELL. Mr. Chairman, I yield to the gentleman 15 minutes more.

Mr. BRIGGS. One more question. Do you not give to the board extremely broad power in section 2, subdivision (b), item 3, when you provide that the board shall make such regulations as are necessary to execute the functions vested in the board by this act?

Mr. KINCHELOE. Yes. They have broad powers. In view of the fact that thousands of contingencies will arise in this machinery that is set up in dealing with the various commodities and various cooperative associations, I do not think this board ought to be confined too much. I believe in giving them the broadest powers so that they can meet this situation, because the responsibility of the success or failure of this is absolutely on their shoulders.

We have had several different farm bills here before. I voted for the McNary-Haugen bill, having grave doubt at the time as to the constitutionality of the equalization fee. I resolved that doubt in favor of the equalization fee, and why did I do it? I did it in order to get some kind of farm legislation. So far as I am concerned, there is not going to be any politics in this with me, and I am as good an organization Democrat as ever stood on this floor. But when I go home at various times and look over my district and see as fine farm land as the sun has ever shone on anywhere, and as diversified a congressional district as there is in the United States, with farmers broke and farms being sold at the courthouse, I know something is wrong. I see fields grown up in weeds, houses deserted by red-blooded American farmers who once prospered but who are now gone. They are going to continue to go, because you are not going to keep these red-blooded American boys and girls on the farms of the United States under present conditions. So long as the farmer has to sell his product in a world market and buy manufactured products for himself and his family in a protected market you are going to continue to reduce the agriculture of this country to a condition of peasantry.

Mr. RANKIN. Is there anything in this bill which would remedy that situation? There is not a word which I can find.

Mr. KINCHELOE. Well, the gentleman has the right to construe it as he wants, but I am going to do this: I am not going to run off after false gods. I am going to vote for a bill that will pass this House and which will be signed by the President of the United States. I am going to vote for this bill in order to make some sort of a start for the relief of agriculture. [Applause.] I know that a bill with the equalization fee in it is not going to become a law. I know that a bill with an export debenture provision in it is not going to become a law. I am not fooling myself, and we ought not to fool each other. But I do know that a bill like this, which I think is sound, and which I have tried to explain, will become a law. If it is an imperfect bill and if it needs some amendment, Congress is going to be here all the time. The Federal reserve act was cursed at both ends of this Capitol when it was up. There were doubting Thomases and carping critics then who predicted financial disaster in this country if that bill became a law. But we had a Congress and a President of the United States game enough to pass it, and there have been anywhere from 35 to 40 amendments to the Federal reserve act, and yet there is not a man or woman on either side of the aisle who would stand up here and say we ought to

repeal the Federal reserve act. [Applause.] This may not be a perfect piece of legislation, and I doubt whether it is. It may not accomplish what it is hoped it will accomplish, and it may be, as has been stated, that this is not going to save agriculture. I believe in reducing the freight rates on agricultural products of which we have an exportable surplus, like we have of steel. I believe in giving the farmer a differential like you give the big millers of the country through your tariff on wheat. I believe in lowering some of the prohibitive tariff rates. I believe in developing the inland waterways, but you can not do it all in a day.

I am going to vote for a start. I am going to do what I can to put this bill on the statute books of the United States, because the President of the United States wants it, and is willing to assume the responsibility. I am going to give him that responsibility for the benefit of the American farmer. [Applause.] I do not propose to quibble over tweedledee and tweedledum. When the American farmer is standing out yonder bankrupt and in need of relief what are you going to do? Has anybody else a better plan that has any chance of becoming the law? If he has, I will vote for it, but I am not going to deceive myself about this proposition, and as far as I am concerned I am going to make a start for the bankrupt farmers of this Nation by voting for this bill and against any amendment that may be offered to it unless, of course, I am convinced that such amendments would help the bill.

Mr. CANNON. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. CANNON. I was very much interested in the statement the gentleman made in which he said the farmers sold in a world market and bought in a protected market.

Mr. KINCHELOE. Yes.

Mr. CANNON. How will this bill remedy that situation?

Mr. KINCHELOE. Well, I have tried to show that to the gentleman. I do not know whether the gentleman heard my statement or not, but I said that if the Ways and Means Committee of this Congress raises the tariff higher than it already is on manufactured products that the farmer has to buy it is not going to help him at all.

Mr. CANNON. How are you going to affect the price of wheat, for example? We have a tariff of 42 cents per bushel on wheat, but we are selling our wheat on a world market. How will this bill make the tariff effective on wheat and enable us to sell our wheat on a protected market?

Mr. KINCHELOE. All right, let us take wheat as an illustration. We raise in this country about 800,000,000 bushels of wheat. The American people consume about 600,000,000 bushels and we plant about 50,000,000 bushels in seed, and therefore have an annual surplus of 150,000,000 bushels of wheat. If they will create a stabilization corporation on wheat, I can see how the stabilization corporation can buy this 150,000,000 bushels of wheat, and buy it in a depressed market, and take it off of the market.

Mr. CANNON. Then what will they do with it?

Mr. KINCHELOE. They will hold that wheat and either feed it through the world market gradually as there is a world demand for it, or feed it back into this country when we have a short crop of wheat.

Mr. CANNON. If you feed it through the world market you have got to take the world price.

Mr. KINCHELOE. Absolutely.

Mr. CANNON. Who is going to stand the loss if you do that?

Mr. KINCHELOE. The only ones who would not get the stimulated price by that transaction will be those who sold the wheat to the stabilization corporation, and the stabilization corporation is not going to buy any wheat except in a depressed market, because they are created to take care of the surplus, and if this 150,000,000 bushels is such a surplus that it is depressing the market they will buy it and store it.

Mr. CANNON. And the poor farmers in the gentleman's district whose plight he has been describing so eloquently and who are going into bankruptcy, as he says, will still have to sell their wheat on a depressed market and will be no better off than they are now.

Mr. KINCHELOE. Somebody will sell the 150,000,000 bushels of wheat on a depressed market.

Mr. CANNON. The farmer will sell it and will get the depressed price.

Mr. KINCHELOE. If the 150,000,000 bushels of surplus is gold on a depressed market it will stimulate the price to the extent of the tariff of 42 cents a bushel on the other 600,000,000 bushels, and I believe in helping them instead of standing here and quibbling about the others.

Mr. CANNON. It will not raise the price of wheat to the farmer who must sell on the depressed market, but, on the other

hand, will take millions of dollars out of the Treasury of the United States.

Mr. KINCHELOE. It will not take a cent out of the Treasury if this stabilization corporation has any sense, because they are not going to buy except on a depressed market, and they are going to sell in a stimulated market.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. OLIVER of Alabama. As I understand, the bill only provides for one stabilization corporation for any particular commodity.

Mr. KINCHELOE. Yes; but it further provides—

Mr. OLIVER of Alabama. In other words, there would be just one large stabilization corporation for cotton and one for wheat.

Mr. KINCHELOE. But it further provides that with respect to the same commodity if there is such a dissimilarity in marketing or in grades of the same crop they may create more than one stabilization corporation for that one commodity; and, on the other hand, if there are two different commodities that are similar in their grades and in their marketing, they can have only one stabilization corporation. It works both ways.

Mr. HASTINGS. Will the gentleman give us an illustration of that?

Mr. KINCHELOE. Yes; I will give the gentleman an illustration. Let us take tobacco. The tobacco sold in western Kentucky, southern Indiana, and western Tennessee, 80 per cent of it per se is export tobacco. It is dark tobacco, which is used in this country but very little. We have to depend on a different market. There are different grades of it and there are different ways of handling it. Seventy-five or eighty per cent of the burley tobacco raised in the same State is consumed in the domestic market. It is graded differently, it is handled differently, and is cured differently. The same thing is true of cigarette tobacco grown in the Carolinas and the same thing is true of wrapper tobacco grown in Connecticut and Wisconsin. They are so dissimilar that there ought to be more than one stabilization corporation so as to take care of that tobacco if the cooperative so desires.

I understand the same thing is true of cotton, although, as I have said, I do not profess to know anything about cotton.

Gentlemen, I hope we may consider this bill in the light of the farmer. I hope when it becomes the law it will become a success. If it is a failure, the responsibility is not going to be mine. If it needs any amending we can amend it at any time. I want to give the President of the United States absolute power in the appointment and control of this board, and I want the board to take this responsibility, and if failure comes the responsibility is going to be there and not on the Congress of the United States.

Mr. RANKIN. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. RANKIN. The gentleman, as I understood him, in answer to the gentleman from Missouri [Mr. CANNON], said that if this bill is successful it will give the farmers the benefit of the tariff of 42 cents a bushel on wheat.

Mr. KINCHELOE. After the surplus is taken off; yes.

Mr. RANKIN. Now, there is no tariff on cotton, so it would not give the cotton farmer any benefit at all. He would still be left in his present situation, would he not?

Mr. KINCHELOE. So far as the tariff is concerned.

Mr. RANKIN. It would not raise the price of cotton at all.

Mr. KINCHELOE. I can not conceive that if you take a great deal of the surplus cotton off the market by this board, I can not see why it would not stimulate the price of the rest of the cotton by creating a greater demand for it; but, as I said before, in my opinion the greatest benefit under this bill with respect to cotton is to come from the insurance feature. If that could possibly work with respect to tobacco, which is a crop I know something about, and we could go to the Federal Government and get funds sufficient to give us insurance against a decline in price, I would be glad it applied to tobacco, and I think the cotton producer is better taken care of in this way than under a tariff.

Mr. RANKIN. I understood the gentleman to rather limit the benefit to be derived by the wheat farmer to the 42-cent tariff.

Mr. KINCHELOE. How could it be any better than that? Whenever you get the domestic price higher than 42 cents above the world price you are going to have imports of wheat.

Mr. RANKIN. I understand that; but if you are going to rely on the tariff I can not see where you have any measuring stick, to use an expression used by the gentleman in his own speech on another bill one or two years ago, whereby you can regulate the benefits to be derived by the cotton farmer.

Mr. KINCHELOE. I tried to explain to the gentleman the benefits to the cotton farmer.

Mr. RANKIN. The gentleman has not explained it.

Mr. ABERNETHY. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. ABERNETHY. What has become of our equalization fee? [Laughter.]

Mr. KINCHELOE. I will defer to the chairman of the committee to answer that question.

Mr. CRISP and Mr. HASTINGS rose.

Mr. KINCHELOE. I yield to the gentleman from Georgia.

Mr. CRISP. I would like to ask my friend if he does not think it would be advisable to make in this law itself the appropriation for the revolving fund available, or a part of it, immediately available? My friend knows that under the bill as written, no part of that fund is available for this farm loan board, when it is organized, to make these advances without further legislation. I know that under the rules of the House the Committee on Agriculture is not an appropriating committee, but the President of the United States called this extra session of Congress for farm relief, and, if the press is correct, it is not contemplated to organize the Committee on Appropriations at this extra session of Congress.

With all these facts would it not justify this bill carrying an appropriation to be immediately available for the farm loan board in order to make it function? It could be done simply, and has been done quite often.

The Appropriation Committee has reported legislation in appropriation bills which has gone out on a point of order. Immediately the Rules Committee comes in with a special rule to make that legislation in order on the appropriation bill notwithstanding the general rules of the House. The Rules Committee in this bill could bring in a rule making in order a provision for an actual appropriation.

I am friendly to the bill; I want it to succeed. I desire to cooperate with the President in every way that I can; but if you pass the bill without any funds being available, we may be subjected to the criticism that you are again giving the farmer a gold brick. You have given him no machinery, no appropriation to make the bill effective.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. KINCHELOE. I will take two more minutes.

The CHAIRMAN. The gentleman has occupied one hour.

Mr. PURNELL. Mr. Speaker, the gentleman from Iowa authorized me to yield time, and I yield two minutes to the gentleman from Kentucky.

Mr. KINCHELOE. I do not see how the Agricultural Committee can compel the Rules Committee to bring in a special rule, no more than it could compel the Appropriation Committee to appropriate. Of course, I realize that the majority would be placed in a ridiculous attitude before the House and the Nation if we passed the bill without an appropriation to render it effective.

Mr. CRISP. Why make two bites to a cherry?

Mr. KINCHELOE. I can not conceive how the Agricultural Committee can make the Rules Committee bring in a rule.

Mr. CRISP. They could be very persuasive. [Laughter.]

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. OLIVER of Alabama. The gentleman from Illinois [Mr. WILLIAMS] said that he had absolute assurance that if the bill was passed the appropriation would be available.

Mr. HASTINGS. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. HASTINGS. If you knock out three words "authorized to be" you will leave the language for a general appropriation.

Mr. KINCHELOE. And it would go out on a point of order.

Mr. HASTINGS. Yes; but the House could adopt an amendment after it was knocked out. Now, there is one other question I want to get the gentleman's construction of, and that is the insurance feature. Does that apply to the cooperative association under subdivision (d)—to the cooperative loan association?

Mr. KINCHELOE. Absolutely.

Mr. HASTINGS. And there is no insurance with reference to stabilization?

Mr. KINCHELOE. Stabilized corporations do not need any. [Applause.]

Gentlemen of the committee, I, as a minority Member of this House, have labored as industriously and studiously as I have capacity to assist in bringing before you as constructive and sound a farm bill as possible. The President of the United States has been kind enough to consult me twice recently about

this legislation. In justice to him, I want to say that I think he has a sincere desire to bring prosperity to American agriculture. The gentlemen may differ with him upon his methods of doing it, but at the same time, in my judgment, he is sincere. I am sure this bill meets with his approval; and if it becomes a law, I think he will exert every effort to make it a workable and a helpful measure; and as I have said before, while I am a Democrat, I shall play no politics in enacting a measure for American agriculture, but will cooperate in every way I can with the President of the United States to enact the best farm bill possible, and, above all, I want to see a farm bill on the statutes of the United States within the next few weeks. [Applause.]

Mr. PURNELL. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. ADKINS].

Mr. ADKINS. Mr. Chairman and gentlemen of the committee, I shall not discuss any tariff feature of this bill because there is another bill coming in later that will take care of that. I shall not discuss any details of the bill because the gentleman from Illinois [Mr. WILLIAMS] and the gentleman from Kentucky [Mr. KINCHELOE] have very ably done that, and we have some attorneys who will discuss them further. So I shall not yield for any questions because the time will not permit. If, after I have gotten through and there is time I shall be glad to yield for any questions.

I have said in times past there was no scheme of farm relief proposed that any well-informed farm authority could not make a speech both for and against. I have frequently said we should make a start and try something, and amend from time to time as experience in operation found necessary. I have on the floor of this House advocated the so-called "equalization fee" during the last two sessions of Congress, but think it is out of the picture for this session and I am for House bill No. 1 as written.

I think the board is the important thing in this proposal and will be the most important governmental board ever created. With the facilities available to it for information it will be in a position to have the whole picture before it of agriculture, both from the production and distribution standpoint, and be in the best position to work out a permanent policy for agriculture of any other body of men.

Our farm leaders and politicians who have advocated various marketing schemes in the past only present one side of the question and none of the difficulties brought out that are to be met, and the confidence of a large percentage of our farmers is shaken by the long list of failures that have followed such a policy. The promoter usually has got their money and the politician their vote and the farmer generally left a little poorer, but they are getting wiser and more cautious.

This board will be in a position to present the whole picture before them when encouraging any marketing or production program. Cooperation seems to be the slogan for farm relief just now. I am glad to see the public coming around to a marketing idea that is both sound and practical if organized and conducted along sound business lines. Mr. Chairman, I do not care to enter into a discussion of cooperative marketing here, as time will not permit, but I am going to incorporate in my remarks at this point a speech I made a few evenings ago over the radio, relating the story of a successful cooperative grain company that has been in operation 26 years:

Charlie Stengle, of the National Farm News, asked me a few days ago to address you and tell you the story of the Bement Grain Co. at Bement, Ill., a cooperative grain company that has been in business 26 years. When this company was organized I was farming near Bement, Ill., producing corn, wheat, oats, hay, cattle, hogs, and poultry.

During the year 1902 all the above products were selling at a very low price. From July 1, 1902, to June 30, 1903, the top price for wheat that year in Chicago was 80 cents per bushel in June, 1903, and the low price for the year was 67 cents in October, 1902, an average of about 76½ cents delivered at Chicago. Other farm products were selling about the same level.

Having started as a farm laborer in 1888 and saved up \$2,000, I had invested in the necessary machinery and livestock to operate 560 acres of land, which put me in debt between four and five thousand dollars. A number of young tenant farmers in the neighborhood were in the same financial condition as I was. A number of other farmers in that locality had bought farms, paid in their savings, and mortgaged the farms for the deferred payments.

With the prices for farm products at that time it became necessary to practice the most rigid economy to pay expenses. Some years we got in debt a little deeper. Only a few of our neighbors had their farms paid for. We all had a common interest, and we naturally talked about the situation at threshing and shelling time and wherever else two or more farmers happened to meet.

In studying the situation over we found we were paying more for local elevator service than we thought necessary to run the business, and on investigation we found what was known as the line elevator system that had grown up throughout the grain belt and had become so influential they were in a position to dictate the price at the local station that should be paid the farmer. Knowing the rates to central markets, commissions, etc., we made up our minds this charge was out of line of what we considered good business practice. After calling several meetings of our neighbors and talking the matter over we decided the best way to remedy that situation was to organize and buy an elevator and do the thing ourselves. Farmer elevators were very few in our country at that time.

Mr. Thomas Lamb and myself visited one of these elevators, and we talked with the manager, the president, and the bankers concerning the same. We both decided the company we visited would fail and we must organize on a different basis and conduct the business differently. We had to organize under the corporation laws of our State, as we had no cooperative law on our statute books at that time. Mr. Thomas Lamb sent over to England and secured all the printed matter available on cooperation. We decided the Roachdale idea met our needs better than any plan we knew anything about.

We were a long time convincing the Illinois Legislature that a cooperative law was economically sound and constitutional.

In the meantime, while operating as a corporation, we were having the business finance itself and build up a surplus. We provided in this cooperative act that a stock company might by two-thirds vote of its stock change from a stock company to a cooperative company. I stayed with the legislature all that winter to get the bill passed. Then it was so embarrassing to the governor he did not sign it but let it become a law without his signature. The above provision was the last straw for the constitutional lawyer. The Bement stock company changed under the provisions of this act to a cooperative company, and the law is still on the statute books.

In 1902 cooperation was not as popular as it is now. A large number of business men looked upon us with suspicion; the newspapers let us religiously alone, and naturally those well trained in the grain business knew that we were entering into competition with them and lost no opportunity to discredit us whenever possible.

Being one of the largest patrons of this proposed corporation I naturally had a personal interest in seeing it started right. We had a large number of tenant farmers in that neighborhood and I got together the most influential of them and told them we must make up a slate of our officers from among the most substantial farmers who owned and operated their own farms, for the psychological effect it would have on our competitors in business and other people who did not look with favor on our movement. I got them to see the point and we elected a board from among the most substantial farmers in the neighborhood. Thomas Lamb was made president of the board, and has been president of the company every year since. Mr. Lamb is over 80 years of age, as straight as a bean pole, and has a mind as active and judgment as good as ever in cooperative matters. He is called "the father of cooperation in Illinois."

Very few changes have ever been made in the management of our business. Mr. Lamb, our president; J. D. Medaris, John Moery, James Fisher, directors; and W. B. Fleming, our manager, have served continuously for 26 years. Three members of the board have died, and all have been replaced by young farmers, who have taken over their fathers' farms and running them; they are being trained in their executive duties by these older men, and with that advantage should be able to carry on successfully when these older men pass on.

When this company was organized we were all in a bad way financially. By hard scratching we raised \$5,000, bought an elevator for \$7,000, and started business. We had to have money to pay for grain purchased. We kept grain on hand insured, and with the grain and our equity in the elevator as security we got all the money we needed to finance the business. At the end of the first year we had our books audited and found we had "weathered the storm" and was about \$1,800 to the good on marketing about 400,000 bushels of grain. I proposed to our president to issue a call for a stockholders' meeting at 10 o'clock a. m. and state that lunch would be served. We met, read our report of the year's business, served sandwiches, coffee, pie, and cigars, reconvened, and while the room was being filled with smoke we got the stockholders to vote to turn the year's earnings back for working capital and also to subscribe \$2,500 more stock, which is all the stock we ever sold for financing the business.

The next year we returned our earnings to the business, and the third year our total surplus ran to a little over \$6,000 and we paid the stockholders interest on their investment.

We now own three elevators valued at \$37,210 and purchased mostly out of the earnings of the business. We issued dividend stock to the stockholders occasionally, until now a man who put \$100 in the business 26 years ago has \$300 in stock on which we pay him 6 per cent interest annually, and turn the balance of earnings back to the stockholders on the patronage basis. We never paid any patronage dividends until we had our business adequately financed out of the earnings. Our

last audit, January 1 of this year, among other items, shows, in the depreciation and reserve fund, \$30,278.11; surplus fund, \$39,979.25; cash in bank, \$15,992.13. We discount all our bills, ready to pay for any amount of grain our stockholders bring in at any time.

Men do not like to put their money into cooperative associations where in prosperous years they can not get more than good interest on it, because in bad years, when they lose money, their capital is jeopardized. The Bement Grain Co. insures the stability of the investment by providing out of the earnings a surplus and providing for depreciation of physical property. The investment is secure and can afford to work for a fair rate of interest. We have always paid the local market price for grain and always made a fair profit except handling the 1920 crop, when the big drop in farm crops came we lost \$12,000, but had more than \$40,000 to pay it from.

We have been paying patronage dividends for about 10 years. We have paid out in that time to our stockholders \$24,400 patronage dividends and paid them 150 per cent in stock dividends and paid them 161 per cent cash dividends on the stock. Our profits on the 1928 year's business was \$7,904.24. We have 143 stockholders. Some of these stockholders have moved out of the territory. I have myself. Out of this profit the stockholders received 6 per cent on capital invested. I am not a patron now, and that 6 per cent is all I get out of that fund, but the \$300 on which I got the 6 per cent cost me \$100 26 years ago, having personally received \$200 in stock-dividend shares.

Of the 105 patrons who participate in this patronage dividend fund, which this year is \$5,000, they received from ten to two hundred and thirteen dollars and twenty-one cents each—one man, \$53.10; one, \$115.30; one, \$159.53; the president of the company, Thomas Lamb, \$98.18; one, \$16.93; and so on.

We pay nonstockholders who trade with us no patronage dividend. If he wants to participate, he must be a stockholder; otherwise the profit we make handling his stuff we give to our own fellows. It solves the loyalty question, as our stockholder does not sell to the opposition for the same price and miss his patronage dividend; about taxpaying time, it is also some financial inducement for the nonstockholder to come in. In our case the nonstockholder does not get the benefit of our cooperative effort, except in stabilizing the cost of local elevator service at a lower level.

If some of our friends in other parts of the country would get it out of their heads that they can "lift themselves over the fence by their boot straps" and organize along sound cooperative lines, get a good, sensible business man to manage the business and tell him nothing but success talks and shove him out into the competitive field and stand by him with their patronage, and then, and not until then, they will not need to stand around and complain that their neighbor will not sign up with them to turn over his farm crop to their organization to merchandise and take out of the proceeds, besides legitimate expense, the cost of, in many cases, the manager's inefficiency.

We handled 461,557 bushels of grain last year; the overhead expense was \$10,138.99. Charging all the expense of operating the business to the grain handled, it would amount to a fraction over 2½ cents per bushel, but this also took care of the expense of handling 3,712 tons of coal. We grind feed and sell it; salt, grass seed, limestone, phosphate, etc.

The farmer to-day is in a bad way, but he is not as foolish as some promoters would like to make us believe. You will not tie many of them up to an institution run by a man drawing two or three times as much salary as he could command in some other good going business institution; that has had no previous successful business experience. The farmers' elevator has stabilized the cost of local elevator service. It has a membership on the Chicago Board of Trade, operating successfully in a modest beginning, the rural grain company depending for its success on the success of its parent, the local cooperative elevator company.

The cooperative must not carry a "chip on its shoulder" for every other business, social, educational, and religious institution in town, but to succeed must cooperate with all, for the good of the community. Every year we have given a dinner at our annual stockholders' meeting for the patrons of the elevator and their families. We let one of the local churches serve the dinner. We rotate that around among the churches, giving every guest a ticket. When dinner has been served, the ladies of the church take these tickets to the manager, who counts the tickets and gives them a check for price agreed upon. Expenses of our last annual meeting were \$159.50, and was money well spent. In the time we have been in business the four churches in our town have built new churches, and our company gave \$250 to the building fund of each church—\$1,000 well spent.

When the World War came the Bement Grain Co. said, "We will do our bit." They contributed to the Red Cross and Liberty loan drives what the committee thought was right. When we wound up we found we had \$15,000 in Liberty bonds in safety-deposit box in bank, in addition to meeting its obligation to society; this did not impair its credit any. The cooperative should be, if not the leader, an influence exerted at all times to build up the community in which it operates, cooperate with the community in all necessary activities, and let them know you are running your business in such a manner that you are one of the per-

manent institutions in town, and the community will cooperate with you because you are an asset to the community. Human nature is about the same everywhere, and local leaders who ignore the human sensibilities are doomed to failure. Any large terminal cooperative not based on a successful local cooperative unit will fail. Whatever the evolution of cooperative grain marketing may be, you will always be compelled to have the local facilities to get the grain from the farmer's wagon to the railroad car. That agency can be controlled by the farmers profitably to themselves, whereas in the case of the Bement Grain Co., after the co-op is properly financed, the farmer gets this service rendered for actual cost of service through the operation of the patronage dividend.

If private enterprise renders it, the profit naturally goes to him, and in many cases goes to his home in a distant city to help build that community up instead of the local community where it was created.

There may be a better way to organize local cooperative grain companies; but, be that as it may, "I am from Missouri and will have to be shown."

If I should give you the complete story of the Bement Grain Co., it would exhaust your patience. We had the usual hard competition to meet in the beginning, our competitors overbidding us in an effort to get our stockholders dissatisfied, and the overtime some of us worked in painting the picture of the goal we hoped to arrive at would be a detail you would not care to listen to. What the Bement Grain Co. has and is doing any other community can do with proper leadership and practicing good business methods and not raise the price of the commodity to the consumer one penny.

You will note after reading the story of this company that under this plan of cooperative marketing why farmers with long experience in successful cooperative marketing of this type are not favoring cooperative-marketing organizations requiring them to sign up with them or assess a fee to pay losses. When any commodity group of farmers apply to this proposed board for a loan, this board undoubtedly will be able to inform them just what they will have to meet going into the world's market with their surplus and give them some reliable information on dumping and orderly marketing and making the tariff effective, that we hear so glibly talked about now, and whenever any commodity group decides to do so they will go into the venture fully advised as to the difficulties to be met.

The "orderly marketing" slogan is not a new subject. Twenty-five years ago many farmers thought if they had storage and means to carry the small grain crops over from harvest to the following summer it would be profitable. In my neighborhood some of us talked about building storage on the farms for such purposes. We decided to investigate the matter before doing so, as we would have to do the extra handling, pay taxes, and interest on money, and stand shrinkage, and so forth. After looking into the records of the Chicago Board of Trade since 1841, giving the high and low price of grain every month in the year up to that time, and such other information as was available, we decided it was a poor business proposition. We found the big exporting countries of the world exporting wheat were the United States, Canada, Argentina, Australia, India, sometimes exporting and sometimes importing, and Russia up until the World War. We found from July to November the United States was supplying the largest part of the wheat for the world's purchases. From November to March, Canada did that with her wheat; from March to February the importing countries turned their buying activities largely to the Southern Hemisphere, Australia and Argentina putting the most of their production on the world's market. We made up our minds it was poor business to build bins and store small grain.

While recognizing in ordinary years we would get enough more for our small grain the following summer to pay carrying charges and possibly a profit, if we kept in close touch with world-market conditions and sold at the right time and secure an advantage of the abnormal high prices when they occur to take care of the abnormal low prices that sometimes prevail, considering these matters, we decided in the long run we were not justified in storing. Quite a different situation is to be met as to the distribution of corn, when farmers themselves hold it on their farms and feed it on the market fairly uniformly during every month of the year as the monthly records of receipts of corn by the Bement Grain Co. over a period of 26 years will show. Each farm commodity has market problems to meet peculiar to itself. A plan that would work well for one commodity would not succeed for some other.

When a farm practice becomes as universal as this, by a great majority of our most successful farmers, it is rather a "safe bet" it is the soundest business practice he can pursue under the conditions under which he is operating and over which he has no control. There have been about 15 wheat pools started in this country to try out the theory of orderly marketing. Seven of them have failed. They could not meet the test of actual business experience.

This proposed board with the resources available should be able to settle the mooted orderly marketing question. At least, that is part of its job.

You will remember the Federal Trade Commission made quite an exhaustive study of the whole grain-marketing question. The report was made in seven volumes of about 300 pages each. You will find in volume 6 of the report, at page 66, average monthly prices for wheat at Chicago for 30 years, from 1886 to 1915. The average for July was 82.69 cents, August 82.44, September 84.21, October 84.83, November 84.6, December 85.67, January 86.54, February 88.84, March 87.23, April 88.23, May 92.11, and June 86.83. By an exhaustive study of this report over 10-year periods, you will find the man who carries his wheat crops over from harvest time until the following summer but seldom gets more than carrying charges and a modest profit. My notion has always been that the size and quality of the world's crop, rather than its flow to market, is the large factor dominating the wheat price. The greatest importer of wheat is Great Britain, who imports from 200,000,000 to 250,000,000 bushels annually. Italy, France, Holland, and Germany import from 624,000,000 to 676,000,000 bushels annually, depending on their home production. These countries only have storage for about three weeks' supply of wheat. In other words, these countries must have an average from 12,000,000 to 13,000,000 bushels of wheat a week, every week in the year, and I think it is very apparent to any man giving it a second thought—they having three large exporting localities to draw from every day of the year, the United States, Canada, and the Southern Hemisphere; wheat is being harvested every day in the year in some part of the world—there is the danger of overstaying the market by holding and running the risk of a large crop elsewhere.

But this proposed board will have ample facilities to get information necessary to advise our farmers as to the most efficient way to handle this surplus to net him the most money. That is the theory we are acting on and it must be tried before we will know whether it can be cashed in by the farmers or not. If the Canadian pool succeeds this board and this pool may find it to the mutual advantage of both the Canadian and the United States wheat farmer to work together to influence the world's price of wheat.

Another problem sought to be solved by this legislation is the violent fluctuations in prices. Nobody yet has found a way to do that. From 1841 to 1860 there was no future trading in wheat or other farm products. The records of the Chicago Board of Trade giving the high and low price for wheat every month in the year since 1841 show some very violent changes in the price during many months of these years. For example, in August, 1841, 56 cents was the low point of the month for wheat and \$1 the high. In July, 1845, the high and low point that month was 75 cents and 50 cents; in July, 1855, \$1 and \$1.55 per bushel; July, 1859, 53 cents and 90 cents per bushel. Of course, these were some of the extreme fluctuations, but show what happened to our wheat market when we had no future market. The records of the Chicago board for 1928 show the high and low price for wheat each month, as follows: January, \$1.28 to \$1.47; February, \$1.28½ to \$1.55; March, \$1.36½ to \$1.70½; April, \$1.44 to \$2.15; May, \$1.44 to \$2.09; June, \$1.36½ to \$1.74½; July, \$1.20½ to \$1.44; August, \$1.06½ to \$1.09; September, \$1.09½ to \$1.50; October, \$1.12½ to \$1.53½; November, \$1.15 to \$1.32½; December, \$1.16½ to \$1.43. It will be noted from these figures that we had fluctuations in the markets when we had no future markets; we have the same with it. There are so many factors to be considered in accounting for the wide range of prices each month, as noted above, that it makes a very difficult question to answer to the farmer as to whether these so-called ups and downs of the market can be avoided or not. A difficult problem for this proposed board to consider in assisting in working out a policy for agriculture is whether a marketing scheme can be encouraged that will make this market more stable than it ever has been in the past.

This board will have to give very careful consideration to the terminal warehouse question. This is a matter to be carefully considered by the board in making loans for terminal warehouses. There is, in round figures, 55,000,000-bushel warehouse capacity at Chicago and only two months since 1918 has there been 40,000,000 bushels of this capacity in use at one time, and that was in November and December, 1924. In 1928 the largest amount on hand in these warehouses was in September, with 23,522,000 bushels, and during that year each month was about 21,000,000 bushels. The Federal Trade Commission report, volume 3, goes into this situation in a very comprehensive way, but winds up without any specific recommendation as to how these institutions might be used in the best interest of all, and especially the producer.

The promoter and politician agitating this farm relief question, especially marketing, for more than a quarter of a century have failed up to date to solve the very complicated problem in a way the farmer feels is fair to him. I am supporting this bill feeling we should make a start in solving this most important and most complicated economic problem.

I do not think it necessary to discuss the details of this bill, as it is about the same in that respect as the other Haugen bills we have considered in the past with the "equalization fee" left out. The sponsors of this bill contend that over a period of years there will be no losses to care for; the years the scheme loses money will be more than cared for from profits of the years it makes money. That will have to be demonstrated before the question is settled. [Applause.]

Mr. PURNELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 1) to establish a Federal farm board to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, and to place agriculture on a basis of economic equality with other industries, had come to no resolution thereon.

MEMORIAL OF THE NORTH CAROLINA GENERAL ASSEMBLY

Mr. WARREN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting therein a memorial from the General Assembly of the State of North Carolina.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to extend his remarks in the Record by printing therein the memorial referred to. Is there objection?

There was no objection.

Mr. WARREN. Mr. Speaker, I desire to extend my remarks by inserting in the Record a memorial of the General Assembly of North Carolina protesting the continuance of a condition that is causing inestimable damage to the States of North Carolina and Virginia.

The memorial is as follows:

Resolution requesting the President of the United States, the Secretary of War, and the Congress of the United States to approve and authorize the restoration of the lock in the Virginia cut of the former Albemarle and Chesapeake Canal, now a part of the Norfolk-Beaufort waterway

Whereas the United States has heretofore purchased what was known as the Albemarle and Chesapeake Canal, connecting Elizabeth River, Va., with Albemarle Sound, N. C., and has improved the same as a section of the intercoastal waterway between the city of Norfolk, Va., and Beaufort, N. C.; and

Whereas at the time of the acquisition of said canal by the United States there existed a lock and dam in the Virginia cut of said canal near Great Bridge, Va., which lock had been in operation for many years, and probably since the construction of said canal, which lock, among other purposes, was intended to prevent the flow of salt water southwardly through said canal into the fresh waters of Back Bay, Va., and Currituck Sound, N. C., and adjacent waters; and

Whereas during the progress of the improvement of said canal, the War Department removed said lock and the same has never been restored; and

Whereas since the removal of said lock and the widening, deepening, and straightening of the canal, large volumes of salt water from the Elizabeth River and Hampton Roads have flowed southwardly through said canal into the fresh waters of Back Bay, Va., and Currituck Sound, N. C., and adjacent waters, thereby creating a saline condition of such waters, and in addition, sewage material has also been carried from Elizabeth River through said canal into the fresh waters of this State, thereby causing the pollution and turbidity of said waters; and

Whereas the salinity of said waters and the impregnation of sewage material have, in large degree, destroyed the black bass and other freshwater species of fish in the waters of this State; and

Whereas the pollution of the said waters in North Carolina has destroyed the vegetation which formerly constituted the feeding ground for migratory birds, with the result that such migratory birds have almost entirely deserted these waters and contiguous sections in North Carolina; and

Whereas the Bureau of Biological Survey of the United States Department of Agriculture has made investigations of conditions in Currituck Sound and adjacent waters and has reported the destruction of the feeding ground for migratory birds and their disappearance from these waters and that damage has ensued, as herein recited, and has recommended the restoration of said lock; and

Whereas such results constitute an unjustifiable invasion of the property and jurisdictional rights of this State in its fish and wild-bird life; and

Whereas such results have also wrought irreparable damage to the property and vocational rights of many of its citizens, thereby entailing great financial losses; and

Whereas it appears to be obvious that the restoration of said lock is a natural and most practicable method of preventing a continuation of the damages hereinbefore recited; and

Whereas, the question of the advisability of restoring this lock has been under consideration by the War Department for three years, under the authority of a resolution of the Committee on Commerce of the United States Senate, adopted February 11, 1926, and no report appears to have been submitted thereon, although uncontroverted evidence of the above facts has been submitted in overwhelming detail: Now, therefore, be it

Resolved by the house of representatives, the senate concurring:

SECTION 1. That the General Assembly of the State of North Carolina respectfully represents to the President of the United States, the Secretary of War, and the Congress of the United States the facts above recited, which have caused unwarranted injury to the sovereign rights of the State and to the property rights of the citizens of said State.

SEC. 2. That the general assembly respectfully requests the President of the United States, the Secretary of War, and the Congress of the United States immediately to take such action as shall result in the early restoration of the lock in the canal, which was heretofore removed by the agents of the United States.

SEC. 3. That in the presentation of this memorial, the general assembly respectfully submits that it is not seeking a favor or a gratuity, but a just reparation for injuries to its jurisdiction and to its citizens as the result of acts unjustifiably committed by agents of the United States.

SEC. 4. That His Excellency the Governor of North Carolina, be requested to forward a certified copy of this resolution, with accompanying letter, to the President of the United States and the Secretary of War, and that the secretary of state be requested to forward a copy of same to each of the Senators and each Member of Representatives of the Congress for the State of North Carolina, and also a copy to the chairman and each member of the Committee on Commerce of the United States Senate.

SEC. 5. That this resolution shall be in force and effect from and after its adoption.

In the general assembly read three times and ratified, this the 9th day of March, 1929.

R. T. FOUNTAIN,
President of the Senate.

A. H. GRAHAM,
Speaker of the House of Representatives.

Examined and found correct.

HOOD,
For committee.

STATE OF NORTH CAROLINA,
DEPARTMENT OF STATE.

I, J. A. Hartness, secretary of state of the State of North Carolina, do hereby certify the foregoing and attached (five sheets) to be a true copy from the records of this office.

In witness whereof, I have hereunto set my hand and affixed my official seal.

Done in office at Raleigh, this 16th day of April, in the year of our Lord 1929.

[SEAL.]

J. A. HARTNESS,
Secretary of State.

FARM RELIEF

Mr. LARSEN. Mr. Speaker, I have living in my city a very prominent Republican who believes that he has found a solution of the boll-weevil situation, and that through this medium he has discovered where great relief may be obtained for the agricultural classes in the South. I ask unanimous consent to extend my remarks in the RECORD by having printed therein the letter that he wrote to the committee upon the matter, of which he sent me a copy. The committee received it too late for publication.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD by printing the communication referred to. Is there objection?

There was no objection.

The letter is as follows:

GENTLEMEN: I understand that the principal reason for calling the special session of Congress on the 15th instant is to pass some measure that will be beneficial to the agricultural interests of our country.

I was born and reared on a farm, and I have been farming for 40 years. I have made and lost a handsome little fortune in this enterprise, and I know the farmer, his business and conditions, like David knew his flock. Up to a few years ago the cotton farmers in the South were the most contented, prosperous, and independent people on the face of the earth; this condition has passed away and we are now broke and sorely depressed. We have lost our purchasing power with the

world, and the entire world feels this loss. We do not live alone, because the three essentials of life are food, clothing, and shelter; we produce the clothing and are an important factor with all mankind. The happiness of one-half the population of the United States depends on the prosperity of the southern farmer. If the prosperity of the southern farmer is restored, we will be valuable customers of every other enterprise in the land and we will be greatly benefited; but until the cotton farmer is restored we are a menace to ourselves and a burden to our National Government. We can be restored, we should be restored, and we must be restored by our National Government.

I am going to tell you the trouble—not what I think but what I know. Then I am going to tell you the remedy—not what I think but what I know. The cotton boll weevil is the trouble. With improved methods and at a tremendous extra expense we are producing on an average of 12,000,000 bales of cotton each year, and we are doing this at a tremendous loss. The actual producers are ragged, hungry, and without work one-half the time, and all those who are having it done are becoming poorer and poorer each year. Thousands and thousands of independent cotton farmers have lost their homes and farms during the past 10 years; we are no longer profitable customers of the West or anybody else. If the boll weevil were destroyed, annihilated, and wiped out of existence, the same land, work, and expense that it now takes to produce 12,000,000 bales of cotton would produce 24,000,000 bales of cotton; and even if the price should be cut one-fourth, one-third, or one-half, any and every body could make it in the good old-fashioned way at a greatly reduced cost, and then, too, everybody in the world who wears clothes would get the benefit. The multitude of cotton pickers alone who are now ragged, hungry, and without work would be busy long enough to live all the year round. The picking of this 12,000,000 additional bales would put in the pockets of the pickers 250,000,000 more dollars. The cottonseed would add \$400,000,000 to raw material, would increase the work of gins, seed mills, railroads, and many other things. Then, too, cottonseed meal is the best land builder we have, and this addition would increase and improve the fertilizers. The 12,000,000 bales of cotton and seed destroyed by the boll weevil runs, in raw material, far in excess of a billion dollars each year, and when we count it all as partly enumerated above it is more than \$2,000,000,000 waste and destruction each year by this one little insect known as the cotton boll weevil.

This is unquestionably the greatest destruction ever known to the civilized world by any one public pest. This is only a hint at the appalling picture and a slight estimate of the different things affected by this outrage that has been permitted by this great Government of ours to bring us into waste and want. This outrage can be corrected. This boll weevil can be destroyed, exterminated, and completely annihilated in two years' time by this good Government of ours at a cost of 10 per cent of what is destroyed each year, or \$200,000,000 per year for two years, and it will all be over. If this can be done, is it not a shame to allow it any longer? It certainly can be done. I have watched and studied the boll weevil for 12 years; it has cost me directly more than \$100,000 and indirectly a million. It has reduced to want and poverty thousands and thousands of well-to-do farmers and ruined every kind of business in the South. It is useless to try to enumerate this.

What is the boll weevil and how can he be destroyed? It is a small insect that lives on the cotton plant and reproduces itself nowhere in the world except in cotton squares, or the buds that make the bolls and the bales. It does not raise and hatch here all the year round, but only about three months in the year, from middle of June to about middle of September. During this period they are the most prolific thing in the world. When winter comes and the green cotton is all gone, he goes into hibernation until spring; it goes all the winter, five to seven months, without drink or food and is in a state of coma. A very small per cent come out alive in the spring, and those that do survive are very weak and inactive at first. About 30 per cent come out in April, about 50 per cent come out in May, and the remainder early in June; all are out by the 10th of June, and none of them live more than 30 days from the time he comes out. Those that go through the winter and come out in the spring are weak and short lived, and many of them never reach the fields. The first females that lay the eggs have only one small litter, from 20 to 50 eggs; as soon as this one litter is deposited in cotton squares she soon dies and is no more. The first hatching has three to five times this many eggs and the second and third hatching run into the thousands. So the destruction of one of the first is worth a thousand later on.

Now, it has been successfully demonstrated that an intelligent farmer can treat 10, 100, or 1,000 acres of cotton in May, June, and July so that not one single weevil will raise in his cotton until about the 1st of August in migrating season, when the boll weevil comes by the millions from the cotton fields that have not been treated. You may kill them every day after this period and they will still come from the untreated fields. So we see they raise only in one place and they raise here only a short while. If all the cotton all over the Cotton Belt was planted in one period of 30 days and all treated at the same time and in the same way, all the old weevils that go through the winter and come out in the spring would be destroyed and

I know the weevil pest and destruction would be completely destroyed. This would be a tremendous task, but it is the only hope. There is but one power that can reach it, and that is the National Government, because it starts at the Mexican border and comes through several States to the Atlantic Ocean.

It may be said that you can't tell the farmer what he must plant; you may not; but you can make him conform to certain rules to prevent the destruction of his neighbor when a public pest and nuisance is at stake. If the National Government will provide the law, the plan, the means, the men, the poison, and the machinery and have it all done, it can do it, and no other power on earth can do it. If it cost a half billion dollars to accomplish this task, it would be the best money ever spent; the Government would get it all back tenfold in taxes in five years, and it would save us all from wreck and ruin. Some Representatives from the North, East, and West may say this is too much to spend in one section, but it is not a local interest; it is not only a national interest but a world-wide proposition that reaches everywhere that civilization is known. We clothe the world, and the destruction of the boll weevil would be a benefit and blessing to all the world.

I could write a thousand pages on this question, the tenth has not been told.

Let this special session of Congress make provisions for the destruction of the boll weevil and regulate the tariff on farm products and supplies, and you will have accomplished more than was done in the expenditure of \$30,000,000,000 to check the German Army.

The farmer should not ask the Government for any special privilege, but the Government should protect him from a national pest of this magnitude. The National Government can do it and no other power can do it.

Respectfully,

G. H. WILLIAMS.

LAYING THE CORNER STONE OF THE ROERICH MUSEUM

Mr. TILSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting some remarks made by me upon the occasion of laying the corner stone of a new skyscraper, the Roerich Museum, in New York.

The SPEAKER. The gentleman from Connecticut asks unanimous consent to extend his remarks in the RECORD by printing the remarks he refers to. Is there objection?

There was no objection.

Mr. TILSON. Mr. Speaker, on a Sunday during the interval between the adjournment of last Congress and the convening of the present it was my privilege to be invited to take part in laying the corner stone of a new skyscraper on Riverside Drive in New York City. This beautiful ceremony may no longer be properly described as "laying the corner stone" upon which to erect a building, for in the modern building world the corner stone may be the very last piece of material to find its place. It was almost true in the case to which I refer, for the outer walls of the building were finished, including not only the steel structure but the brick and stone were all in place to the very top pinnacle.

Externally the building is somewhat unusual, not so much in design—for it has the newer skyscraper tower effect made by recessions toward the top—but in its color effect. At the base the surface material, whether brick or stone, is almost or quite black, and then gradually changes through all the shades of gray to the white marble spire that crowns the central tower. Even in a city of marvelous structures without number it is well worth a look from the top of a Riverside Drive bus or from the deck of a boat on the Hudson.

What makes the building unique, however, is not the outside. It is rather the inside, and this not because it is different in design or material but because of the purpose for which it has been erected and the spirit back of and permeating the enterprise. It is called the Master Building and is dedicated to art in honor of the great Russian artist, Nicholas Roerich. It is to contain first of all the Roerich Museum, with such of the works of this great artist as are now or may hereafter become available as a nucleus. In addition it is to house the Master Institute of United Arts, where not only sculpture, painting, and drawing are taught, but music in its endless varieties, the drama, and all the other branches of the fine arts. Here Corona Mundi is to establish its home with the laudable ambition of making it in fact as well as in name an international art center.

At the exercises connected with the laying of the corner stone there were representatives of almost a dozen countries, outside of our own, who brought the felicitations of their respective countries and joined in enthusiastic commendation of the enterprise, most of them expressing the hope that this monument to art, which knows not international boundary lines, will serve as an additional pledge of international good will.

In my own remarks, after making reference to certain messages read by the chairman, I spoke in part as follows:

It has been something of a puzzle for me to figure out just why the signal honor was conferred upon me of receiving an invitation to these exercises. As a humble neophyte I have always from a distance, as it were, loved art, whether embodied in sculpture, in painting, or in beautiful music; but I have never felt myself entirely capable of fully appreciating all of its wondrous meaning. I am glad, however, that through the helpful offices of good friends I have been invited and am here on this unique occasion.

Occasionally in our work in the Congress of the United States we are confronted with questions touching the subject of art in one way or another. Sometimes it is simply a question as to the proper location of works of art as embodied in monuments, or perhaps as to the proper limitations upon the architecture in the construction of buildings in the Capital City of the Nation, over which Congress exercises control. In all such cases my own view has been that matters of this character should be submitted to and determined by the advice of the best-trained minds available in each particular field. For this purpose fine arts commissions, park commissions, building and planning commissions, and others have been established. Imperfect and short of the highest and best as may have been our efforts in this direction, the fact that these efforts have been made at all indicate the respect and undefinable reverence that even partially trained minds feel toward art.

From the very earliest times of which there is any trace of historical record there has appeared an æsthetic side to the nature of man which has sought expression in various ways. On the walls of the crude abodes of the cave dwellers are indications of attempts at portraiture. In the mounds and tombs of earlier races long since disappeared are found evidences of this attempt on the part of man to express himself in the language of the æsthetic and the beautiful.

Down through the ages crass ignorance and religious superstition, with misconceived notions of deity, have on occasion wrought havoc to the works of art and other expressions of the beautiful, but all of these misguided efforts have proved transient and temporary, for always in every age these outbursts have been superseded by a better and higher civilization, resulting in renewed and more glorified efforts toward the better outward expression of the higher side of human nature.

This building is being created and will stand as a monument to the growth toward a higher plane of the finer and better side of human nature. It is not only a monument to the great genius whose name it bears but it is a monument in even a higher and richer sense to the true, to the noble, to the beautiful. Nicholas Roerich needs no monument. His works are his monument. These will live and serve humanity after the steel which supports this structure has rusted away and the brick and stone which give it its beauty have all crumbled to dust.

Nicholas Roerich is not only a great painter, he is much of a philosopher. The time will permit of but a single thought of his expressed in his writings, but it leaves in the mind a beautiful picture. It is of one approaching the guarded outer gate of a village. A countersign is demanded, and the would-be visitor answers the challenge with a song. If the song be beautiful an entrance all the more gracious is accorded the singer. Or it may chance that graphic evidence is required, and if so the best passport that can be presented has no red sealing wax or notarial seal, but is a picture, a drawing, or beautiful painting.

No one can or should participate in the dedication of a monument like this to the highest good of a great people without recognizing the debt and acknowledging the deep obligation which the rest of us owe to these unselfish men and women who have given so liberally of themselves and of their substance that this beautiful building may come into existence and that it may house and perpetuate through the years to come not only the name, spirit, and paintings of Roerich, but the works of the genius of others which have been, are being, and are destined to be created here for the pleasure and elevation of the human race.

ADJOURNMENT

Mr. PURNELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 46 minutes, p. m.) the House adjourned until to-morrow, Friday, April 19, 1929, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FRENCH: A bill (H. R. 1183) to provide for the payment of a discharge gratuity to enlisted men of the Navy and Marine Corps; to the Committee on Naval Affairs.

Also, a bill (H. R. 1184) to provide for the relinquishment by the United States of certain lands to the city of Cœur d'Alene, in the county of Kootenai, in the State of Idaho; to the Committee on Public Lands.

Also, a bill (H. R. 1185) to provide for the acquisition, sale, and closer settlement of delinquent lands on irrigation projects by the Government to protect its investment; to the Committee on Irrigation and Reclamation.

Also, a bill (H. R. 1186) to amend section 5 of the act of June 27, 1906, conferring authority upon the Secretary of the Interior to fix the size of farm units on desert-land entries when included within national reclamation projects; to the Committee on Irrigation and Reclamation.

Also, a bill (H. R. 1187) to establish fish hatcheries within the State of Idaho; to the Committee on the Merchant Marine and Fisheries.

By Mr. GAMBRILL: A bill (H. R. 1188) to provide for the improving of the Government road running through Fort George G. Meade and connecting the Waterloo, Jessup, Oden-ton, and Millersville Highway; to the Committee on Military Affairs.

By Mr. BRITTEN: A bill (H. R. 1189) to provide for the purchase of a bronze bust of the late Lieut. James Melville Gilliss, United States Navy, to be presented to the Chilean National Observatory; to the Committee on the Library.

Also, a bill (H. R. 1190) to regulate the distribution and promotion of commissioned officers of the line of the Navy, and for other purposes; to the Committee on Naval Affairs.

Also, a bill (H. R. 1191) to regulate the distribution and promotion of commissioned officers of the Marine Corps, and for other purposes; to the Committee on Naval Affairs.

Also, a bill (H. R. 1192) to authorize the Secretary of the Navy to proceed with construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

Also, a bill (H. R. 1193) for the relief of retired and transferred members of the Naval Reserve Force, Naval Reserve, and Marine Corps Reserve; to the Committee on Naval Affairs.

Also, a bill (H. R. 1194) to amend the naval appropriation act for the fiscal year ended June 30, 1916, relative to the appointment of pay clerks and acting pay clerks; to the Committee on Naval Affairs.

By Mr. COOPER of Ohio: A bill (H. R. 1195) for the promotion of the health and welfare of mothers and infants, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS: A bill (H. R. 1196) authorizing the purchase of a site and the erection thereon of a national home for soldiers and sailors of all wars; to the Committee on Military Affairs.

By Mr. REID of Illinois: A bill (H. R. 1197) to amend the act approved May 15, 1928, entitled "An act for the control of floods on the Mississippi River, and its tributaries, and for other purposes"; to the Committee on Flood Control.

By Mr. HAWLEY: A bill (H. R. 1198) to authorize the United States to be made a party defendant in any suit or action which may be commenced by the State of Oregon in the United States District Court for the District of Oregon, for the determination of the title to all or any of the lands constituting the beds of Malheur and Harney Lakes in Harney County, Oreg., and lands riparian thereto, and to all or any of the water of said lakes and their tributaries, together with the right to control the use thereof, authorizing all persons claiming to have an interest in said land, water, or the use thereof to be made parties or to intervene in said suit or action and conferring jurisdiction on the United States courts over such cause; to the Committee on the Judiciary.

By Mr. SIROVICH: A bill (H. R. 1199) to protect labor in its old age; to the Committee on Labor.

Also, a bill (H. R. 1200) to establish and operate a national institute of health, to create a system of fellowships in said institute, and to authorize the Government to accept donations for use in ascertaining the cause, prevention, and cure of disease affecting human beings, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 1201) to amend the national bank act; to the Committee on Banking and Currency.

Also, a bill (H. R. 1202) to provide for the inspection of chickens, ducks, geese, pigeons, and turkeys; to the Committee on Agriculture.

By Mr. COCHRAN of Missouri: A bill (H. R. 1203) to amend the World War adjusted compensation act, as amended; to the Committee on Ways and Means.

Also, a bill (H. R. 1204) to provide for the use of the U. S. S. *Olympia* as a memorial to the men and women who served the United States in the war with Spain; to the Committee on Naval Affairs.

Also, a bill (H. R. 1205) to punish the sending through the mails of certain threatening communications; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 1206) to enforce the fourth and fifth amendments to the Constitution of the United States, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H. R. 1207) providing for the repeal of an act entitled "An act to prohibit the importation and the interstate transportation of films or other pictorial representations of prize fights, and for other purposes," approved July 31, 1912; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 1208) to amend the national prohibition act; to the Committee on the Judiciary.

Also, a bill (H. R. 1209) to enforce the fourth and fifth amendments to the Constitution of the United States, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H. R. 1210) extending the time for awarding medals of honor, distinguished-service crosses, and distinguished-service medals, etc.; to the Committee on Military Affairs.

Also, a bill (H. R. 1211) to authorize an appropriation to enable the Director of the United States Veterans' Bureau to provide additional hospital facilities at Jefferson Barracks, Mo.; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 1212) to provide that certain officers and employees of the United States shall file bonds for the purpose of satisfying judgments obtained by persons injured by the unlawful or careless use of firearms by such officers or employees, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H. R. 1213) to regulate the construction of bridges over navigable waters of the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DALLINGER: A bill (H. R. 1214) to authorize the President of the United States to reorganize the executive departments of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. GRAHAM: A bill (H. R. 1215) to make the United States a party defendant for the removal of liens or claims of the United States on real estate; to the Committee on the Judiciary.

By Mr. HOUSTON of Hawaii: A bill (H. R. 1216) to amend the act entitled "An act to regulate the immigration of aliens to, and the residence of aliens in, the United States"; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 1217) to amend section 4 of the act entitled "An act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 1218) to amend the Hawaiian organic act, as amended; to the Committee on the Territories.

Also, a bill (H. R. 1219) to admit to the United States Chinese wives of certain American citizens; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 1220) to provide for an investigation of fisheries in the Territory of Hawaii; to the Committee on the Merchant Marine and Fisheries.

Also, a bill (H. R. 1221) to amend section 319 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909; to the Committee on the Judiciary.

Also, a bill (H. R. 1222) to establish a hydrographic office at Honolulu, Territory of Hawaii; to the Committee on Naval Affairs.

Also, a bill (H. R. 1223) to exempt officers and employees of Alaska and Hawaii from the payment of income tax; to the Committee on Ways and Means.

Also, a bill (H. R. 1224) for the purchase of a site and the erection of a public building at Lihue, Kauai County, Territory of Hawaii; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 1225) for the purchase of a site and the erection of a public building at Wailuku, Maui County, Territory of Hawaii; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 1226) to amend the World War veterans' act of 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. HARE: A bill (H. R. 1227) to establish a farm surplus board; to aid in the orderly marketing, control of production, economic transportation, and disposition of surplus farm crops, agricultural commodities, and for other purposes; to the Committee on Agriculture.

By Mr. HOGG: A bill (H. R. 1228) to amend the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes"; to the Committee on the Post Office and Post Roads.

By Mr. HOUSTON of Hawaii: A bill (H. R. 1229) to amend section 5 of the act entitled "An act to provide a government

for the Territory of Hawaii, approved April 30, 1900"; to the Committee on Ways and Means.

By Mr. BACHMANN: A bill (H. R. 1230) to amend the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes"; to the Committee on the Post Office and Post Roads.

By Mr. BAIRD: A bill (H. R. 1231) authorizing the Secretary of the Interior to compensate veterans of the Civil War for times served in Confederate prisons; to the Committee on Invalid Pensions.

By Mr. BLAND: A bill (H. R. 1232) providing for retired pay for certain members of the former Life Saving Service, equivalent to retired pay granted to members of the Coast Guard; to the Committee on Interstate and Foreign Commerce.

By Mr. HAWLEY: A bill (H. R. 1233) to amend subsection (a) of section 26 of the trading with the enemy act, so as to authorize the allocation of the unallocated interest fund in accordance with the records of the Alien Property Custodian; to the Committee on Interstate and Foreign Commerce.

By Mr. FOSS: A bill (H. R. 1234) to authorize the Postmaster General to impose demurrage charges on undelivered collection-on-delivery parcels; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 1235) to provide for weekly pay days for postal employees; to the Committee on the Post Office and Post Roads.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 1236) to provide for the paving of the Government road across Fort Sill (Okla.) Military Reservation; to the Committee on Military Affairs.

Also, a bill (H. R. 1237) to establish and maintain one or more pecan experiment stations, one located in the State of Oklahoma; to the Committee on Agriculture.

By Mr. ROWBOTTOM: A bill (H. R. 1238) authorizing an appropriation of \$25,000 for the erection of a monument at Evansville, Ind., to commemorate the burial place of James Bethel Gresham, the first soldier to die in the World War; to the Committee on the Library.

By Mr. SCHAFER of Wisconsin: A bill (H. R. 1239) to repeal the national-origin provisions of the immigration act of 1924; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 1240) to amend section 608 of the World War adjusted compensation act, as amended; to the Committee on Ways and Means.

By Mr. SMITH of Idaho: A bill (H. R. 1241) to establish a fish-hatching and fish-cultural station in the State of Idaho; to the Committee on the Merchant Marine and Fisheries.

By Mr. FOSS: A bill (H. R. 1242) to amend the first paragraph, and that portion of paragraph 4 as far as the first colon, of section 2 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 1243) to amend an act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes"; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 1244) to amend the first paragraph of section 7 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 1245) to amend section 3583 of the Revised Statutes, as amended; to the Committee on the Judiciary.

By Mr. WAINWRIGHT: A bill (H. R. 1246), to amend the national defense act so as to reestablish the Regular Army Reserve as a component of the Regular Army, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 1247) providing for the biennial appointment of a board of visitors to inspect and report upon the Government and conditions in the Philippine Islands; to the Committee on Insular Affairs.

Also, a bill (H. R. 1248) to increase the efficiency of the Medical Department of the Regular Army; to the Committee on Military Affairs.

Also, a bill (H. R. 1249) relative to the fees of clerks of court in naturalization proceedings; to the Committee on Immigration and Naturalization.

By Mr. ZIHLMAN: A bill (H. R. 1250) to provide books and educational supplies free of charge to pupils of the public schools of the District of Columbia; to the Committee on the District of Columbia.

By Mr. COCHRAN of Missouri: Joint resolution (H. J. Res. 38) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

Also, joint resolution (H. J. Res. 39) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HILL of Alabama: Joint resolution (H. J. Res. 40) to amend the act entitled "An act authorizing preliminary examinations of sundry streams with a view to the control of their floods, and for other purposes," approved February 12, 1929; to the Committee on Flood Control.

By Mr. WAINWRIGHT: Joint resolution (H. J. Res. 41) to promote peace and to equalize the burdens and to minimize the profits of war; to the Committee on Rules.

By Mr. SIROVICH: Resolution (H. Res. 23) appointing a commission of 10 to inquire into the subject of old-age dependency in the United States and proper method of its relief and to report back its findings within one year; to the Committee on Rules.

By Mr. ELLIOTT: Resolution (H. Res. 24) providing for an additional assistant clerk to the Committee on Invalid Pensions; to the Committee on Accounts.

By Mr. JOHNSON of Oklahoma: Resolution (H. Res. 25) providing for the appointment of a committee of the House of Representatives for the purpose of investigation and making report on the illegal entrance of aliens into America; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

By Mr. FRENCH: Memorial of the twentieth session of the Legislature of the State of Idaho, indorsing legislation to provide funds which the Secretary of the Interior may loan to drainage and levee districts, without interest, in order to enable them to retire their bonded indebtedness; to the Committee on Irrigation and Reclamation.

Also, memorial of the twentieth session of the Legislature of the State of Idaho, urging legislation prohibiting the importation into the United States of any meat originating in any country in which foot-and-mouth disease is prevalent; to the Committee on Agriculture.

By Mr. BLOOM: Memorial of the Senate of the State of New York, requesting that appropriate legislation be enacted as will grant to American citizens of Porto Rico the right to elect their own governor by popular vote and will give such governor the power to select the members of his own cabinet, including the commissioner of education, the attorney general, the auditor, the commissioner of immigration, and such other administrative officers as may be necessary; to the Committee on Insular Affairs.

By Mr. SELVIG: Memorial of the State Legislature of Minnesota, inviting the President to come to Minnesota and extending the freedom of the State of Minnesota for use as the summer capital of the United States; to the Committee on Appropriations.

By Mr. GARBER of Oklahoma: Resolution expressing the opposition of the House of Representatives of the Oklahoma Legislature against national legislation authorizing the construction of toll bridges in the State of Oklahoma; to the Committee on Interstate and Foreign Commerce.

By Mr. KERR: Memorial passed by the General Assembly of the State of North Carolina, requesting the Federal Government to restore a lock in the Albemarle & Chesapeake Canal, now a part of the Federal inland waterway, and prevent the destruction of the feeding grounds of migratory birds; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 1251) for the relief of C. L. Beardsley; to the Committee on Claims.

By Mr. BEERS: A bill (H. R. 1252) granting a pension to Florence L. Webb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1253) granting a pension to Frances Anderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1254) granting an increase of pension to Louisa M. Beaver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1255) granting an increase of pension to Lydia A. Stees; to the Committee on Invalid Pensions.

By Mr. BLAND: A bill (H. R. 1256) granting a pension to Lorenzo T. Sullivan; to the Committee on Pensions.

Also, a bill (H. R. 1257) granting a pension to Harvey L. Shure; to the Committee on Pensions.

Also, a bill (H. R. 1258) granting an increase of pension to Jesse R. Latham; to the Committee on Pensions.

Also, a bill (H. R. 1259) granting an increase of pension to Louise C. Staples; to the Committee on Invalid Pensions.

By Mr. BLOOM: A bill (H. R. 1260) for the relief of the heirs of Haym Salomon; to the Committee on Claims.

By Mr. BRAND of Ohio: A bill (H. R. 1261) granting an increase of pension to Mary E. Koogle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1262) granting an increase of pension to Mary E. Stubbs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1263) granting an increase of pension to Bethena Mills; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1264) granting an increase of pension to Mary S. Young; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1265) granting an increase of pension to Rocella Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1266) granting an increase of pension to William McCoy; to the Committee on Pensions.

Also, a bill (H. R. 1267) granting an increase of pension to Jennie S. Faris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1268) granting a pension to Sarah J. Cline; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1269) granting a pension to Phillis Jane Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1270) granting an increase of pension to Mary Emma Parrett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1271) granting an increase of pension to Amy Hoppes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1272) granting an increase of pension to Harriet Arrasmith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1273) granting an increase of pension to Sarah M. Wolf; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1274) granting an increase of pension to Sarah C. Morton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1275) granting an increase of pension to Jennie Minnick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1276) granting an increase of pension to Eliza M. Toomire; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1277) granting an increase of pension to Mary S. Bennett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1278) granting an increase of pension to Catherine H. Forbes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1279) granting an increase of pension to Hattie Wissinger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1280) granting an increase of pension to Adelia Shiers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1281) granting an increase of pension to Elizabeth Malone; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1282) granting an increase of pension to Susan M. Coleman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1283) granting an increase of pension to Emma J. Rairden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1284) granting an increase of pension to Ida Henderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1285) granting an increase of pension to Anna B. Stonesifer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1286) granting an increase of pension to Phoebe R. G. Strong; to the Committee on Invalid Pensions.

By Mr. BRITTEN: A bill (H. R. 1287) for the relief of Julius Goldenberg; to the Committee on Claims.

By Mr. BUCKBEE: A bill (H. R. 1288) granting an increase of pension to Bridget Fallon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1289) granting an increase of pension to Lina Salter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1290) granting an increase of pension to Elvira Foster; to the Committee on Invalid Pensions.

By Mr. CANNON: A bill (H. R. 1291) granting a pension to Margaret B. Lincoln; to the Committee on Invalid Pensions.

By Mr. CLARKE of New York: A bill (H. R. 1292) granting an increase of pension to Elizabeth J. Marshall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1293) granting an increase of pension to Abby J. Decker; to the Committee on Invalid Pensions.

By Mr. COCHRAN of Missouri: A bill (H. R. 1294) for the relief of C. M. Perkins; to the Committee on Claims.

Also, a bill (H. R. 1295) for the relief of Louis T. Knief; to the Committee on Claims.

By Mr. DRANE: A bill (H. R. 1296) granting an increase of pension to Abbie M. Stout; to the Committee on Invalid Pensions.

By Mr. EDWARDS: A bill (H. R. 1297) providing for an examination and survey of Savannah (Ga.) Harbor from the bar at the mouth of the Savannah River to the western limits of said harbor to a point opposite the creosoting plant; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 1298) providing for the examination and survey of the inland waterways and the Altamaha River at and near Darien, Ga., with the view of improving the harbor at Darien, Ga.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 1299) providing for the examination and survey of Richardson Creek, Ga.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 1300) for the relief of the legal representatives of Walter Blake Heyward; to the Committee on War Claims.

Also, a bill (H. R. 1301) for the relief of Julius Victor Keller; to the Committee on Military Affairs.

Also, a bill (H. R. 1302) for the relief of Frank Lang; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 1303) granting retirement annuity or pension to John B. Fitzgerald; to the Committee on the Civil Service.

By Mr. FOSS: A bill (H. R. 1304) granting a pension to Margaret Bartlett; to the Committee on Pensions.

Also, a bill (H. R. 1305) to correct the military record of Louis Miner; to the Committee on Military Affairs.

By Mr. FREE: A bill (H. R. 1306) for the relief of Charles W. Byers; to the Committee on Claims.

Also, a bill (H. R. 1307) for the examination and survey of southern or lower San Francisco Bay and Guadalupe River, Calif., with a view of securing increased depth and width in the channels in the bay and river, establishing a harbor, turning basin, piers, wharves, etc., in lower San Francisco Bay; to the Committee on Rivers and Harbors.

By Mr. FRENCH: A bill (H. R. 1308) granting an increase of pension to Rachel A. Moffatt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1309) for the relief of James C. Simmons, alias James C. Whitlock; to the Committee on Military Affairs.

Also, a bill (H. R. 1310) for the relief of Henry F. Cramer; to the Committee on Military Affairs.

Also, a bill (H. R. 1311) for the relief of Francis Jenkins; to the Committee on the Public Lands.

Also, a bill (H. R. 1312) for the relief of J. W. Zornes; to the Committee on Claims.

Also, a bill (H. R. 1313) for the relief of the estate of Katherine Heinrich (Charles Grieser and others, executors); to the Committee on Claims.

Also, a bill (H. R. 1314) granting a pension to Louis Webber; to the Committee on Pensions.

Also, a bill (H. R. 1315) granting a pension to Mary Stout; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1316) granting a pension to Eunice E. Rhoads; to the Committee on Pensions.

Also, a bill (H. R. 1317) granting a pension to Mary Ay-yah-tot-kickt; to the Committee on Pensions.

Also, a bill (H. R. 1318) granting a pension to Arthur L. Clarke; to the Committee on Pensions.

Also, a bill (H. R. 1319) granting a pension to George A. Ellis; to the Committee on Pensions.

Also, a bill (H. R. 1320) granting a pension to Naomi Follett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1321) granting a pension to Adanijah Jordan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1322) granting a pension to Annie L. King; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1323) granting a pension to members of Capt. Thomas C. Galloway's Company E, First Regiment Idaho Volunteers, Weiser Home Guard, Nez Perce Indian wars; to the Committee on Pensions.

Also, a bill (H. R. 1324) granting a pension to members of Captain Greenstreet's company, Washington Volunteers, Nez Perce Indian wars; to the Committee on Pensions.

By Mr. GARNER of Oklahoma: A bill (H. R. 1325) granting a pension to James Virgil Wright; to the Committee on Pensions.

Also, a bill (H. R. 1326) granting an increase of pension to Lucetta J. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1327) granting an increase of pension to Margaret J. McQuary; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1328) granting an increase of pension to Lou M. Hoover; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1329) granting an increase of pension to Matilda A. Hammond; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1330) granting an increase of pension to Gilla A. Hall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1331) granting an increase of pension to Jotham J. Bobout; to the Committee on Pensions.

Also, a bill (H. R. 1332) granting a pension to Lizzie Albright; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1333) granting an increase of pension to Florence Dorser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1334) granting an increase of pension to Samantha Braley; to the Committee on Invalid Pensions.

By Mr. GARNER: A bill (H. R. 1335) for the relief of First State Bank & Trust Co. of Mission, Tex.; to the Committee on Claims.

By Mr. HOWARD: A bill (H. R. 1336) granting an increase of pension to Alice M. Henderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1337) granting an increase of pension to Nancy Jane Ward; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 1338) granting a pension to Elgie Wright; to the Committee on Pensions.

Also, a bill (H. R. 1339) granting an increase of pension to Thomas M. Stroud; to the Committee on Pensions.

Also, a bill (H. R. 1340) authorizing Porter Bros. & Biffle and others to bring suit against the United States of America for loss and damage sustained through erroneous certification by the Bureau of Animal Industry; to the Committee on Claims.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 1341) granting a pension to George W. Kane; to the Committee on Pensions.

Also, a bill (H. R. 1342) granting a pension to Samuel L. Gibson; to the Committee on Pensions.

Also, a bill (H. R. 1343) for the relief of Lucius K. Osterhout; to the Committee on Military Affairs.

Also, a bill (H. R. 1344) granting an increase of pension to Chalmer Rayburn Hiatt; to the Committee on Pensions.

By Mr. MENGES: A bill (H. R. 1345) granting an increase of pension to Annie Bell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1346) granting an increase of pension to Mary A. Toomey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1347) granting an increase of pension to Harriet Stanton; to the Committee on Invalid Pensions.

By Mr. PALMER: A bill (H. R. 1348) granting an increase of pension to Rachel McKinney; to the Committee on Invalid Pensions.

By Mr. SELVIG: A bill (H. R. 1349) for the relief of G. G. Laugen; to the Committee on Claims.

By Mr. SMITH of Idaho: A bill (H. R. 1350) granting a pension to John H. Myer; to the Committee on Pensions.

Also, a bill (H. R. 1351) granting a pension to Asa S. Abbott; to the Committee on Pensions.

Also, a bill (H. R. 1352) granting a pension to Homer Bounds; to the Committee on Pensions.

Also, a bill (H. R. 1353) granting a pension to Thomey J. Willis; to the Committee on Pensions.

Also, a bill (H. R. 1354) for the relief of Arthur H. Teeple; to the Committee on Claims.

Also, a bill (H. R. 1355) for the relief of Lawrence J. Kesinger; to the Committee on Claims.

Also, a bill (H. R. 1356) for the relief of C. M. Williamson, C. E. Liljengvist, Lottie Redman, D. R. Johnson, and H. N. Smith; to the Committee on Indian Affairs.

By Mr. SUMMERS of Washington: A bill (H. R. 1357) granting an increase of pension to Celena L. Palmer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1358) granting a pension to Ola Baker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1359) granting a pension to Asbury B. Richman; to the Committee on Pensions.

Also, a bill (H. R. 1360) granting a pension to Horeb M. Boone; to the Committee on Pensions.

Also, a bill (H. R. 1361) granting a pension to Anna H. Niesz; to the Committee on Invalid Pensions.

By Mr. SUMNERS of Texas: A bill (H. R. 1362) granting an increase of pension to Lucy Ann Smith; to the Committee on Invalid Pensions.

By Mr. SWICK: A bill (H. R. 1363) providing for the examinations and surveys of the Beaver River, Pa.; Shenango River, Pa.; and Mahoning River, Pa. and Ohio; to the Committee on Rivers and Harbors.

By Mr. THOMPSON: A bill (H. R. 1364) granting a pension to Elizabeth Carter; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 1365) granting a pension to Ida May Eastman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1366) granting a pension to Susan Devore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1367) granting a pension to Elizabeth Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1368) granting a pension to Laura Jane Dehnen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1369) granting an increase of pension to Mary E. Glaspy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1370) granting an increase of pension to Henrietta M. Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1371) granting an increase of pension to Agnes Haddox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1372) granting an increase of pension to Elizabeth A. McAdoo; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1373) granting an increase of pension to Mary Jane Outcalt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1374) granting an increase of pension to Margaret A. Rudolph; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 1375) granting a pension to Berta Weterick; to the Committee on Pensions.

Also, a bill (H. R. 1376) granting a pension to Anna E. Antle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1377) granting an increase of pension to Ida M. Neill; to the Committee on Pensions.

By Mr. WAINWRIGHT: A bill (H. R. 1378) authorizing an appropriation for the relief of Maj. H. E. Miner, Capt. A. J. Touart, Capt. J. L. Hayden, Capt. H. H. Pohl, First Lieut. C. C. Jadwin, and First Lieut. F. B. Kane, United States Army; to the Committee on Military Affairs.

By Mr. YATES: A bill (H. R. 1379) granting a pension to Frank B. Hayes; to the Committee on Pensions.

Also, a bill (H. R. 1380) for the relief of Charles N. Neal; to the Committee on Military Affairs.

By Mr. OLIVER of Alabama: Resolution (H. Res. 22) to pay six months' salary and funeral expenses to Frances Rebecca Robinson; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

80. Resolution of the Marina Home Owners Protective Association, memorializing Congress for a reduction of 50 per cent in the Federal tax on earned incomes; to the Committee on Ways and Means.

81. By Mr. BLOOM: Petition of the W. L. Douglas Shoe Co. and customers, protesting against any change in the present tariff on hides and leather used in the manufacture of shoes; to the Committee on Ways and Means.

82. By Mr. CARLEY: Petition of United Liberal Democratic Club (Inc.), by John D'Avanzo, secretary, addressed to the President and Congress, asking repeal of Volstead Act and eighteenth amendment; to the Committee on the Judiciary.

83. By Mr. CRAIL: Petition of sundry citizens of California, favoring the Newton bill, which would provide an annual appropriation to be used for child-welfare extension work; to the Committee on Education.

84. By Mr. CULLEN: Petition of the Chamber of Commerce of New York, urging the Members of Congress to use their influence to have the present law providing for a Tariff Commission be revised so as to create a properly equipped and more efficient commission; to the Committee on Ways and Means.

85. Also, petition of the Legislature of the State of New York, requesting the Congress to pass such appropriate legislation as will grant the citizens of Porto Rico the right to elect their own governor by popular vote and the power to select the members of his own cabinet; to the Committee on Insular Affairs.

86. Also, petition of the Association of American Weighmasters (Inc.), of New York City, protesting against any

legislation which will in any way reduce or adversely affect the importation of sugar from the Philippine Islands into the United States; to the Committee on Ways and Means.

87. Also, petition of the Children's Welfare Federation of New York City (Inc.), favoring the proposed Federal legislation required for the continuation of a child-welfare extension service similar to that provided for under the Sheppard-Towner Act; to the Committee on Interstate and Foreign Commerce.

88. Also, petition of the American Legion of the State of New Mexico, opposing plan toward the abandonment of the United States Veterans' Bureau hospital at Fort Bayard, N. Mex.; to the Committee on World War Veterans' Legislation.

89. Also, petition of the Maritime Association of the Port of New York, strongly urging the Members of Congress from the State of New York to take such prompt and effective measures as will insure the enactment of a rivers and harbors bill at the special session of the Seventy-first Congress which will be a most effective means of providing that relief for the agricultural interests of the country to which the administration is committed; to the Committee on Rivers and Harbors.

90. By Mr. DICKSTEIN: Petition of Street & Smith Corporation, publishers, New York, proposing the striking out of "for use in the manufacture of newspapers" be stricken out in paragraph 1672 as substituted; to the Committee on Ways and Means.

91. By Mr. GARBER of Oklahoma: Petition of William R. Vallance, president the Federal Bar Association, in support of House bill 16643; to the Committee on the Civil Service.

92. Also, petition of the Surplus Control League of the Pacific Northwest, Garfield, Wash., urging legislation to make effective to the producer the 42-cent tariff on wheat, expressing faith in the principles of the original McNary-Haugen bill, and recommending that the proposed Federal farm board be invested with sufficient authority to make the tariff available to the producer, either through the disposal of the exportable surplus or any effective substitute therefor; to the Committee on Agriculture.

93. Also, petition of the Chamber of Commerce of the United States of America, calling attention to the foreign-trade features of the chamber's seventeenth annual meeting; to the Committee on Ways and Means.

94. By Mr. KELLY: Petition of citizens of McKeesport, Pa., protesting against national-origins provision of immigration act; to the Committee on Immigration and Naturalization.

95. By Mr. LINDSAY: Petition of N. L. Lederer (Inc.), New York, urging an increase in the rate of duty on glues and gelatines, inasmuch as imported products amount to only 6 per cent of domestic production and therefore can not constitute menace to American industry; to the Committee on Ways and Means.

96. Also, petition of Street & Smith Corporation, publishers, New York, proposing the striking out of "for use in the manufacture of newspapers" be stricken out in paragraph 1672 as substituted; to the Committee on Ways and Means.

97. By Mr. O'CONNELL of New York: Petition of Street & Smith Corporation, publishers, New York City, favoring certain amendment to paragraph 1672 of the tariff act, newsprint paper; to the Committee on Ways and Means.

98. Also, petition of the Chamber of Commerce of the State of New York, in its opinion that the Tariff Commission should be an important permanent bureau of the National Government of a strictly nonpartisan character; to the Committee on Ways and Means.

99. Also, petition of N. L. Lederer (Inc.), New York City, favoring an increase of duty on glues and gelatines; to the Committee on Ways and Means.

100. Also, petition of the Monarch Lumber Co., Great Falls, Mont., with reference to the tariff on shingles, etc.; to the Committee on Ways and Means.

101. Also, petition of the Eastern Federation of Feed Merchants, Albany, N. Y., with reference to farm relief; to the Committee on Agriculture.

102. By Mr. PRALL: Resolution received from the secretary of the Association of American Weighmasters (Inc.), 98 Front Street, New York, passed at meeting held on the 25th of March, 1929, whereas the Association of American Weighmasters is engaged in the business of weighing, marking and checking, counting, and identifying, among other things, imports of sugar, hemp, copra, kapok, shells, gums, and other products from the Philippine Islands, arriving through the ports of New York, Newark, Philadelphia, Baltimore, and Boston, in which business there are many men employed, all of whom are dependent upon this occupation; and many will be seriously affected to

their detriment should there be any restriction in the importation of Philippine sugar into the United States, etc.; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

FRIDAY, April 19, 1929

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty Father, as we walk the pathway of these days, may we bring helpfulness, brightness, and cheer to all who touch our lives. We thank Thee for the assurance, namely, in Thee we have adequate foundation for all our hopes, and we turn our faces joyfully to the high call of human service. As we give ourselves to Thee in the bonds of unflinching fidelity, iniquity is forgiven and sin is forgotten. Let us walk in Thy footsteps, for this aspiration will bring no disappointment; the triumph of this endeavor will always bless. O God, spare us from any blind selfishness which robs us of the satisfaction and joy of service, and fill us with that magnanimous spirit that ennobles and enriches life; thus we shall not live in vain. Through Jesus Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

SWEARING IN OF MEMBERS

The SPEAKER. Members desiring to take the oath will please come forward.

Mr. HENRY T. RAINEY and Mr. Cox appeared before the Speaker's rostrum and took the prescribed oath of office.

ELECTION OF A MEMBER TO A COMMITTEE

Mr. GARNER. Mr. Speaker, I offer a resolution, which I send to the Clerk's desk.

The SPEAKER. The gentleman from Texas offers a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 26

Resolved, That HARRY C. CANFIELD, of Indiana, be, and he is hereby, elected a member of the standing House Committee on Ways and Means.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

COMMITTEE ON WAYS AND MEANS

Mr. GARNER. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GARNER. Mr. Speaker, the Members of the House will recall that during the last session of the Seventieth Congress the Committee on Ways and Means devoted some 40 or 50 days to hearings upon the proposed tariff measure to be considered at this session of Congress. During those hearings it was distinctly stated and understood, and an agreement was reached between the majority and minority members, or I might say the entire committee, that when the hearings closed no more information would be given to the committee upon which they would base their conclusions. The chairman of the committee, the gentleman from Oregon [Mr. HAWLEY], said they would reserve the right—very properly so, I thought—to call any Federal official for the purpose of getting such technical information as to drawing the bill as the committee's judgment might direct.

It seems that that went along very smoothly until a few days ago. We saw the information that the majority had and, so far as I know, the Republican members of the committee have been pursuing that policy. But information has come to a number of us that as a matter of fact that policy has not been pursued. We are informed by the press that the Secretary of State, Mr. Stimson, appeared before the Republican members of the committee day before yesterday, not as a Federal official, as was stated by the Secretary, but as a citizen. Now, what his object was in appearing before the Republican members of the committee we do not know, but can only surmise.

But that is not so bad. Mr. Speaker and gentlemen of the House, as some other matters that have attracted the attention of myself and others. The Tariff Commission, so the White